

rates of pension for Spanish War veterans; to the Committee on Pensions.

4280. By Mr. WAINWRIGHT: Petition of 26 citizens of the twenty-fifth congressional district of New York, urging the passage of House bill 7825, to amend the World War veterans' act, 1924, to extend the date of service-connected disability allowance to January 1, 1930, to allow the benefits of compensation to disabled veterans of the World War who develop active tuberculosis prior to the date of January 1, 1930; to the Committee on World War Veterans' Legislation.

4281. By Mr. WARREN: Petition of Jesse J. Piland and three others, of Oak City, N. C., favoring increased pensions for Spanish-American War veterans; to the Committee on Pensions.

4282. By Mr. WHITLEY: Petition from Rochester, N. Y., urging passage of legislation to increase pensions of veterans of the Spanish-American War; to the Committee on Pensions.

SENATE

SATURDAY, February 8, 1930

(Legislative day of Monday, January 6, 1930)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

FEDERAL INTERMEDIATE CREDIT BANK, COLUMBIA, S. C.

Mr. BLEASE. Mr. President, a few days ago, in the Federal court at Charleston, S. C., there was a case tried in reference to the Carolina Agricultural Credit Co. against the Federal intermediate credit bank at Columbia, S. C., and judgment was rendered for \$9,000 against the bank. This is one of the cases I have been trying to get the Committee on Banking and Currency to investigate. An account of that trial appeared in the Beaufort (S. C.) Gazette. I ask that the account of the trial, together with the editorial appearing in the same paper, may be published in the RECORD. I hope that the members of the Committee on Banking and Currency, to which I ask that they be referred, will read both of them. Possibly they may yet save the United States Government several million dollars.

There being no objection, the article and editorial were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

[From the Beaufort Gazette, Beaufort, S. C., Thursday, February 6, 1930]

CHARLES S. MITCHELL WINS CASE—TRIED IN FEDERAL COURT AT CHARLESTON LAST WEEK—AMOUNT INVOLVED WAS \$9,000—NUMBER OF OTHER FARMERS HERE HAD DEALINGS WITH FEDERAL INTERMEDIATE CREDIT BANK SIMILAR TO THOSE OF MITCHELL—OTHER SUITS SIMILAR TO THIS ONE HAVE BEEN COMMENCED—CASE HAS BEEN LONG DRAWN OUT

It will doubtless be of interest to some of our local friends to know that the much-talked-of case of Federal intermediate credit bank of Columbia against Charles S. Mitchell, which came up for trial in the Federal court in Charleston last week, resulted in a verdict in favor of Mr. Mitchell. This was the first case up for trial on Monday morning, and the trial took all of Monday and Tuesday, and a part of Wednesday.

This was a suit on two notes made by Charles S. Mitchell to the South Carolina Agricultural Credit Co., together amounting to \$9,000, given to raise funds with which to finance his truck-farming operations in the spring of 1926. The testimony developed that Mr. Mitchell, along with many of the farmers of this community, was financed through the South Carolina Agricultural Credit Co., their paper being discounted with the Federal intermediate credit bank of Columbia. The testimony showed that Mr. Mitchell was a member of the Beaufort Truck Growers' Cooperative Association, and bound to turn over his truck crop to that organization for marketing, and that concern was to sell the crops and turn the money over to the South Carolina Agricultural Credit Co., to which company Mr. Mitchell had made the notes sued on, and the South Carolina Agricultural Credit Co. was in turn to remit to the Federal intermediate credit bank, with which bank the notes had been rediscounted, sufficient of the funds to pay Mr. Mitchell's notes, and the balance, if any, was to be turned over to Mr. Mitchell.

It seems that Mr. Mitchell borrowed \$9,000, and turned over to the Beaufort Truck Growers' Cooperative Association for marketing crops the returns from which amounted to some \$18,000, the most of which was admitted to have reached the South Carolina Agricultural Credit Co., according to the testimony of Mr. Mitchell. The plaintiff bank, however, contended that nothing had been paid on the notes at the time the suit was commenced, which was directly after the failure of the Beaufort bank. In the meantime, the South Carolina Agricultural Credit Co. went into receivership, and apparently had no funds which

the Federal intermediate credit bank could reach to get payment on the notes. Therefore, the question arose as to who should be the loser—the bank which held the notes and claimed they had not been paid, or Mr. Mitchell, who, the plaintiff claimed, had paid his money for the notes to the wrong party.

The evidence showed that at the time the notes were rediscounted the Federal intermediate credit bank took over along with said notes two crop mortgages and an agreement whereby Mr. Mitchell was to turn over his crops to the said Beaufort Truck Growers' Cooperative Association, which association was to market the crops and turn over the money received from said crops to the South Carolina Agricultural Credit Co., which put the said Federal intermediate credit bank on notice as to how the money was to be paid. Therefore, the main question involved was whether the South Carolina Agricultural Credit Co. was acting as agent for the Federal intermediate bank or for the defendant, Mitchell, in the handling of the money; and after a hotly contested case, much testimony being offered—some being admitted and a great deal ruled out by the court, the case finally went to the jury, and the jury, after being out an hour and 40 minutes, rendered a verdict in favor of Mr. Mitchell.

The Federal intermediate credit bank, the plaintiff in this case, was represented by Messrs. D. W. Robinson, of Columbia, S. C., and Randolph Murdaugh, of Hampton, and the defendant, Mr. Mitchell, was represented by Messrs. George L. Buist, a member of the firm of Buist & Buist, of Charleston, S. C., and W. J. Thomas, of Beaufort.

This case is of peculiar interest to the people of this community for the reason that a number of other farmers here had dealings with the Federal intermediate credit bank similar to those of Mr. Mitchell, and a few other suits similar to this one have been commenced, but the suit against Mr. Mitchell was the first one brought, and Mr. Mitchell, through his attorneys, objected to the jurisdiction of the Federal court, taking the position that the case should have been brought in the State court, thus bringing the trial to Beaufort County. The district judge held that Mr. Mitchell's position was correct, and ordered that the case be dismissed in the Federal court. An appeal from this order was taken by the attorneys for the plaintiff bank to the court of appeals at Richmond, Va. There the order of the district court was sustained, but from this decision the plaintiff again appealed to the United States Supreme Court, which court reversed the rulings of the two lower courts and held that the case should be tried in the United States district court.

The case has been long drawn out and quite expensive to Mr. Mitchell, but his attorneys have made a determined fight for him, and have finally won a verdict in the case.

We are not advised at this time as to whether an appeal will be made by the Federal intermediate credit bank from this judgment in the district court or not.

[From the Beaufort Gazette, Thursday, February 6, 1930]

THE MITCHELL CASE

At last one of the most interesting and important civil cases of recent years arising in this section has been brought to a conclusion. It will prove to be a very far-reaching decision, too, as far as many Beaufort County farmers are concerned. We speak of the case of Federal intermediate credit bank against Charles S. Mitchell et al. This case grew out of certain notes given by Mr. Mitchell to the South Carolina Agricultural Credit Association and discounted with the intermediate credit bank in conformity with the Federal act seeking to aid the farmers. The notes were given for money used in producing truck crops during the 1926 season. All here too well know of that terrible year and the subsequent results, so we need not again mention them.

Mr. Mitchell, through his attorneys, Messrs. W. J. Thomas, of Beaufort, and George Buist, of the firm of Buist & Buist, of Charleston, among other defenses, alleged agency between the plaintiff in this case and the credit association. Following practically three days of stiff legal battles the jury returned a verdict in favor of the defendant which sustained his contentions, thereby settling the matter as to the question of agency. Thus another of the ugly matters growing out of the failure of the Beaufort bank has been settled, and on this occasion in favor of a defendant. Heretofore the defendants have lost in all but one of the legal skirmishes, in many instances being compelled to "pay notes a second time," and suffer large judgments to be filed of record. The holder of the notes and obligations has succeeded. But the plaintiff in the Mitchell case whiffed three times at the ball and was called "out" by the jury.

There are other suits pending on notes similarly given. Defenses of a similar nature have been filed, and it is expected that the defendants will be equally successful. We trust so, nevertheless. In many cases the farmers who have been sued were entitled to a return of money from their produce even after the application of the funds toward the payment of the notes. Some here believe that the verdict in the Mitchell case so involves the intermediate credit bank as to make it possible to sustain suits against it for the additional sums above the

amounts of the obligations held by it. We do not know enough of the attendant matters to express an opinion on this point, but we trust such will be the case.

It is generally rumored here that the returns on the crops of the 1926 season were far more than the necessary amount needed to meet the obligations given by the Beaufort farmers. We hear it said that had the money been properly applied these obligations would have been satisfied and neat balances would have been sent to the particular farmers. On this we are not in a position to speak. But should it develop that the intermediate credit bank was so connected with the Beaufort Agricultural Credit Association and other agencies here and so handled or directed the handling of the funds derived from the sale of the produce, we feel that actions against it should be sustained in behalf of the farmers in suits for the amounts above the obligations held by the bank. Should such develop it will prove a life-saving for many Beaufort County farmers, go a far way toward wiping out pressing and heavy obligations, remove outstanding mortgages and judgments, and tend to put them on their "feet" again. Such would prove a blessing to every interest in Beaufort County.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Deneen	Kendrick	Sheppard
Ashurst	Dill	Keyes	Shortridge
Baird	Fess	La Follette	Simmons
Barkley	Fletcher	McCulloch	Smith
Bingham	Gillett	McKellar	Smoot
Black	Glass	McMaster	Stock
Blaine	Goff	McNary	Steiwer
Blaise	Greene	Metcalf	Stephens
Borah	Hale	Norbeck	Sullivan
Bratton	Harris	Norris	Swanson
Brook	Harrison	Nye	Thomas, Idaho
Broussard	Hatfield	Oddie	Thomas, Okla.
Hayden	Overman	Patterson	Trammell
Hebert	Pine	Ransdell	Vandenberg
Caraway	Howell	Robinson, Ind.	Walcott
Connally	Johnson	Robison, Ky.	Walsh, Mont.
Copeland	Kean	Schall	Waterman
Couzens			Watson
Cutting			Wheeler
Dale			

Mr. NYE. I desire to announce the unavoidable absence of my colleague [Mr. FRAZIER]. This announcement I will let stand for the day.

Mr. FESS. I wish to announce that the senior Senator from Delaware [Mr. HASTINGS] is detained from the Chamber on account of the death of Mrs. Hastings.

Mr. SHEPPARD. I wish to announce that the Senator from New York [Mr. WAGNER] is detained from the Senate on official business.

I also desire to announce the necessary absence of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED], who are delegates from the United States to the Naval Arms Conference meeting in London, England. Let this announcement stand for the day.

I also wish to announce that the senior Senator from Nevada [Mr. PITTMAN] is necessarily absent from the Senate attending a conference in the West relating to the diversion of the waters of the Colorado River. I wish this announcement to stand for the day.

I also desire to announce that the Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

The VICE PRESIDENT. Seventy-six Senators have answered to their names. A quorum is present.

PETITIONS

Mr. BRATTON presented petitions of sundry citizens of Las Cruces, Clovis, and Hot Springs, all in the State of New Mexico, praying for the passage of legislation granting increased pensions to Spanish War veterans, which were ordered to lie on the table.

Mr. BARKLEY presented a petition of sundry citizens of Leslie County, in the State of Kentucky, praying for the passage of legislation granting increased pensions to Spanish War veterans, which was ordered to lie on the table.

Mr. CAPPER presented a petition of sundry citizens of Emporia, Arkansas City, Florence, and Augusta, all in the State of Kansas, praying for the passage of legislation granting increased pensions to Spanish War veterans, which was ordered to lie on the table.

Mr. WALCOTT presented resolutions of Local Division No. 570, Amalgamated Association of Street & Electric Railway Employees of America, of Waterbury, and Charles L. Burdett Auxiliary, No. 4, United Spanish War Veterans, of Hartford, in the State of Connecticut, favoring the passage of legislation granting increased pensions to Spanish War veterans, which were ordered to lie on the table.

He also presented a resolution of Stony Creek Branch of the Granite Cutters' International Association, at Stony Creek, Conn., favoring the use of granite for the exterior of the Boston post-office building and for the exteriors of other Federal buildings to be erected in New England, which was referred to the Committee on Public Buildings and Grounds.

He also presented a petition of sundry citizens of Waterbury, Conn., praying for the passage of the so-called bald eagle protection bill, being the bill (S. 2908) extending protection to the American eagle, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by Stonington Council, No. 5, Junior Order United American Mechanics, of Stonington, Conn., favoring the passage of legislation placing Mexican immigration on a quota basis, and also favoring the retention of the national-origins clause in the immigration law, which were referred to the Committee on Immigration.

He also presented resolutions adopted by the Leagues of Women Voters of New Canaan and Meriden, in the State of Connecticut, favoring the prompt ratification of the proposed World Court protocol, which were referred to the Committee on Foreign Relations.

He also presented the petition of the Women's Association of the Second Congregational Church of Waterbury, Conn., praying for the limitation of naval armament and the total abolition of battleships, which was referred to the Committee on Foreign Relations.

APPROPRIATIONS FOR THE STATE AND OTHER DEPARTMENTS

Mr. JONES, from the Committee on Appropriations, to which was referred the bill (H. R. 8960) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1931, and for other purposes, reported it with amendments and submitted a report (No. 161) thereon.

REPORT OF A NOMINATION

Mr. BORAH, as in open executive session, from the Committee on the Judiciary, reported the nomination of Hoyt E. Ray, of Idaho, to be United States attorney, district of Idaho, which was ordered to be placed on the Executive Calendar.

PUBLICATION OF THE WRITINGS OF GEORGE WASHINGTON

Mr. FESS. From the Committee on the Library I report favorably without amendment the bill (S. 3398) to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans. I ask unanimous consent for the immediate consideration of the bill. If there shall be any objection, I will withdraw the request. The bill merely provides for the publication of the writings of Washington. A similar measure has three times before been passed by this body.

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington established by the joint resolution entitled "Joint resolution authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington," approved December 2, 1924 (hereinafter referred to as the "commission"), is authorized and directed to prepare, as a congressional memorial to George Washington, a definitive edition of all his essential writings, public and private (excluding the diaries), including personal letters from the original manuscripts or first prints, and the general orders, at a cost not to exceed \$56,000 for preparation of the manuscript. Such definitive edition shall be printed and bound at the Government Printing Office and shall be in about the same form as the already published diaries of George Washington and shall consist of 25 volumes, more or less. There shall be 3,000 sets of such edition, 2,000 of which shall be sold by the Superintendent of Documents at a cost equal to the total cost under this section of preparing the manuscript and printing and binding of the entire edition. The commission shall, upon issue of the final volume, distribute the remaining 1,000 sets as follows: Two each to the President, the library of the Senate, and the library of the House of Representatives; 10 to the Library of Congress; 1 to each member of the Cabinet; 1 each to the Vice President and the Speaker of the House of Representatives; 1 to each Senator, Representative in Congress, Delegate, and Resident Commissioner; 1 each to the Secretary of the Senate and the Clerk of the House of Representatives; and 1 to each member and officer of the commission. The remaining sets shall be distributed as the commission directs. To

carry out the purpose of this section there is authorized to be appropriated the sum of \$157,975, or so much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated.

SEC. 2. (a) The commission is authorized and directed to—

(1) Prepare, print, bind, and distribute 100,000 copies of a pamphlet entitled "Honor to George Washington," at a cost not to exceed \$3,000; 100,000 copies of a pamphlet entitled "Reading About George Washington," at a cost not to exceed \$10,000; and 2,000 copies of a pamphlet entitled "Directions for Celebration and Pageants," at a cost not to exceed \$4,000;

(2) Prepare 120,000 photolithographic copies of the best approved original portrait of George Washington, and deliver in tubes, ready for mailing, 200 copies to each Senator, Representative in Congress, Delegate, and Resident Commissioner, at a cost not to exceed \$7,000;

(3) Prepare, print, bind, and distribute a George Washington atlas at a cost not to exceed \$12,000; and

(4) Collaborate with the Library of Congress, State historical societies, authorities concerned with State history, and the National Geographic Society in the preparation of a George Washington map, showing places he visited or of which he was an inhabitant, which map shall bear the names of members of the commission, and shall be issued in a number of the National Geographic Magazine in an edition of about 1,300,000 copies, at a cost to the commission not to exceed \$7,000;

(b) To carry out the provisions of this section only the commission is authorized to have printing, binding, photolithography, and other work done at establishments other than the Government Printing Office.

SEC. 3. The commission is authorized to employ, without regard to the civil service laws, and without regard to the classification act of 1923, as amended, to fix the compensation of a director, a historian, an executive secretary, and such assistants as may be needed for stenographic, clerical, and expert service within the appropriations made by Congress from time to time for such purposes, which appropriations are hereby authorized.

SEC. 4. In carrying out the provisions of this or any other act relating to the celebration of the two hundredth anniversary of the birth of George Washington, the commission is authorized to procure advice and assistance from any governmental agency, including the services of technical and other personnel in the executive departments and independent establishments, and to procure advice and assistance from and to cooperate with individuals and agencies, public or private. The Superintendent of Documents shall make available to the commission the facilities of his office for the distribution of the publications, maps, and portraits herein authorized.

SEC. 5. The members and employees of the commission shall be allowed actual traveling, subsistence, and other expenses incurred in the discharge of their duties. All expenses of the commission shall be paid by the disbursing officer of the commission upon vouchers approved by the chairman of the executive committee of the commission.

SEC. 6. Unexpended balances of appropriations authorized under the provisions of this act shall remain available until expended.

SEC. 7. The United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington may hereafter be referred to as the "George Washington Bicentennial Commission."

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERMAN:

A bill (S. 3478) granting an increase of pension to Robert J. Edwards; to the Committee on Pensions.

By Mr. DALE:

A bill (S. 3479) granting an increase of pension to Ella Carlin (with accompanying papers); and

A bill (S. 3480) granting an increase of pension to Nellie L. Dowlan (with accompanying papers); to the Committee on Pensions.

By Mr. GILLETT:

A bill (S. 3481) authorizing the Secretary of War to grant to the town of Winthrop, Mass., a perpetual right of way over such land of the Fort Banks Military Reservation as is necessary for the purpose of widening Revere Street to a width of 50 feet; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 3482) authorizing an appropriation to aid the State of Tennessee in the erection of a monument to James Lewis; to the Committee on the Library.

By Mr. NORBECK:

A bill (S. 3483) to authorize the Secretary of Agriculture to carry out his 10-year cooperative program for the eradication,

suppression, or bringing under control of predatory and other wild animals injurious to agriculture, horticulture, forestry, animal husbandry, wild game, and other interests, and for the suppression of rabies and tularemia in predatory or other wild animals, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHEPPARD:

A bill (S. 3484) for the relief of the Black Hardware Co. (with an accompanying paper); to the Committee on Claims.

By Mr. GREENE:

A bill (S. 3485) granting a pension to Lillian Sturges; to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 3486) for the relief of the Ingram-Day Lumber Co.; to the Committee on Claims.

By Mr. ROBSION of Kentucky:

A bill (S. 3488) granting pensions to certain soldiers, sailors, and marines of the World War, to certain widows, minor children, and helpless children of such soldiers, sailors, and marines, and for other purposes; to the Committee on Pensions.

FOREST PRODUCTS LABORATORY, WISCONSIN

Mr. LA FOLLETTE. Mr. President, I introduce a bill relative to land, buildings, and appurtenances for the Forest Products Laboratory, Wisconsin, which I request may be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 3487) to provide for the acceptance of a donation of land and the construction thereon of suitable buildings and appurtenances for the Forest Products Laboratory, and for other purposes, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of Agriculture is hereby authorized to accept on behalf of the United States from the regents of the University of Wisconsin a donation by deed of conveyance satisfactory to the United States of such tract or tracts of land as in his judgment may be suitable as a site for a building or buildings for the Forest Products Laboratory, and to pay from the appropriation herein authorized all costs incident to examining, transferring, and perfecting title to said land: *Provided*, That the deed of conveyance may provide for a reversion of title to the University of Wisconsin if and when the United States no longer uses said land for the purpose of a forest-products laboratory, and upon such reversion the United States shall have a reasonable time within which to remove or otherwise dispose of the buildings and other improvements constructed by it on said lands.

SEC. 2. The Secretary of Agriculture is hereby authorized to cause to be planned, by contract or otherwise, and to construct at Madison, Wis., on said land such fireproof building or buildings as in his judgment may be suitable for the use of the Forest Products Laboratory of the Forest Service, with modern equipment for laboratory tests and experiments, including the moving and installation of existing equipment and the purchase and installation of necessary new equipment, the making of steam, sewer, water, gas, electrical, and other connections, and the construction of such railway sidings, roadways, sidewalks, and approaches as may be required.

SEC. 3. For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of \$900,000.

AMENDMENTS TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. BRATTON submitted amendments intended to be proposed by him to House bill 6564, the Interior Department appropriation bill, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 67, following line 2, insert the following:

"For maintenance and repair of that portion of the Gallup-Shiprock Highway within the Navajo Reservation, N. Mex., \$20,000, reimbursable as provided in the act of June 7, 1924."

On page 100, strike out the paragraph entitled "National monuments," lines 13 to 24, both inclusive, and insert in lieu thereof the following:

"National monuments: For administration, protection, maintenance, and preservation of the national monuments, including not exceeding \$1,550 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the custodians and employees in connection with general monument work, \$42,200; for construction of physical improvements, \$41,700, including not exceeding \$15,850 for the construction of buildings, of which not exceeding \$10,250 shall be available for three employees' quarters, \$5,500 for three comfort stations, not exceeding \$18,750 for a water-supply system at Craters of the Moon; in all, \$83,900."

PUBLIC BUILDINGS

Mr. BRATTON also submitted an amendment intended to be proposed by him to the bill (H. R. 6120) to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926 (44 Stats. 630); the act entitled "An act to amend section 5 of the act entitled 'An act to provide for the construction of certain public buildings, and for other purposes,' approved May 25, 1926," dated February 24, 1928 (45 Stats. 137); and the act entitled "An act authorizing the Secretary of the Treasury to acquire certain land within the District of Columbia to be used as space for public buildings," approved January 13, 1928 (45 Stats. 51), which was ordered to lie on the table and to be printed.

"THE GOVERNMENT'S LADY BOUNTIFUL"—HELIUM PLANT

Mr. CONNALLY. Mr. President, I present an editorial from the St. Louis Post-Dispatch of the 24th ultimo entitled "The Government's Lady Bountiful." I ask leave that it may be published in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, Friday, January 24, 1930]

THE GOVERNMENT'S LADY BOUNTIFUL

The Government owns a helium plant at Amarillo, Tex., for whose construction and maintenance Congress has appropriated more than \$1,620,000 in the last three years. It was designed to supply the needs of the Army and the Navy, the only Government users of helium, and is under supervision of the Commerce Department's Bureau of Mines. Last November the plant was closed because its best customer, the Navy, refused to give it any more orders. At that time the plant was selling helium at \$12.13 a thousand cubic feet. But the Navy Department indicated it preferred to supply its dirigibles from the output of a private concern, the Helium Co. of Kentucky, whose price for helium was \$35 a thousand.

Last December, when the Post-Dispatch asked Navy Department officials about its helium purchasing policy, only vague answers were made. In the meantime, however, the House Appropriations Committee has notified the Navy Department that Congress will not permit it to continue to pay \$35 to a private company when the Bureau of Mines can produce helium of the same quality for approximately \$12 a thousand cubic feet.

Unless the Amarillo plant operates, the taxpayers not only get no return on a \$1,000,000 investment but they foot a bill of \$9,500 a month to keep the plant and crew in a stand-by position. And all of this so that the Navy Department may distribute largess to the mysteriously influential Helium Co. of Kentucky. It is a curious situation and, viewed in the light of past performances, gives rise to the suspicion that the Navy Department is on private business's sucker list.

CELEBRATION OF WASHINGTON'S BIRTHDAY AT ALEXANDRIA, VA.

Mr. SWANSON. Mr. President, on the 22d of February there will be held in the city of Alexandria, Va., exercises commemorative of the birth of Washington. The city has extended to Congress an invitation to be present on that occasion. The President of the United States and other distinguished guests will be present to commemorate this notable occasion. I ask that the invitation may be read to the Senate and printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read, as requested.

The invitation was read and ordered to lie on the table, as follows:

THE GEORGE WASHINGTON BIRTHDAY ASSOCIATION,
Alexandria, Va., February 4, 1930.

To the Congress of the United States, greeting:

The historic city of Alexandria, in keeping with a custom of very long standing, plans to celebrate the birthday of her most illustrious son, Gen. George Washington. Plans are being made for a great military and civic parade and the President of the United States, Herbert Hoover, has accepted our invitation to be present.

Our association desires to extend to your honorable body an invitation that you join us in our plans to honor the first President, and we trust it will be your pleasure to accept.

Yours very truly,

GEORGE WASHINGTON BIRTHDAY ASSOCIATION,
By M. E. GREENE, Secretary.

EXECUTIVE MESSAGES

Sundry messages in writing were communicated to the Senate from the President of the United States by Mr. Latta, one of his secretaries.

REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regu-

late commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. GOFF obtained the floor.

Mr. McNARY. Mr. President—

The VICE PRESIDENT. Does the Senator from West Virginia yield to the Senator from Oregon?

Mr. GOFF. I yield.

Mr. McNARY. I ask unanimous consent that the unfinished business may be temporarily laid aside, and that the Senate may take up for consideration the annual supply bill for the Agricultural Department.

Mr. LA FOLLETTE. Does the Senator from Oregon desire that the bill to which he refers shall be immediately considered?

Mr. McNARY. Yes.

Mr. LA FOLLETTE. I object, Mr. President.

The VICE PRESIDENT. Objection is made. The question is on agreeing to the amendment proposed by the Senator from Wisconsin, which will be stated.

The LEGISLATIVE CLERK. The Senator from Wisconsin proposes to amend paragraph 76, on page 30, line 22, by striking out "25" and inserting "20," so as to read:

Spirit varnishes containing 5 per cent or more of methyl alcohol, and all other varnishes, including so-called gold size or japan, not specially provided for, 20 per cent ad valorem.

Mr. GOFF. Mr. President, it is not my purpose to detain the Senate long in presenting the views which are entertained by the interests of my State in regard to the amendment which has been offered by the Senator from Wisconsin on page 30, line 22, of the pending bill, in which he proposes to strike out "25" and to insert "20."

I followed on yesterday the discussion of this matter with great attention, and I wish to preface my remarks by saying that there is nowhere in the discussion of any evidence or any contention that a request was made of the Finance Committee either to increase or decrease the duty that is now levied on spirit varnishes containing 5 per cent or more of methyl alcohol and all other varnishes of the same general character. In fact, as the record shows, no one representing the consuming public came to request that there be a change in the law as it then existed, which is the law of 1922—the Fordney-McCumber Act.

Mr. President, to my mind that is most significant. If no representative of the consuming public felt sufficient interest to come before the Committee on Finance and ask for a change in the duty on this item, then we are at least justified in the conclusion that, in the absence of such a request, there did not exist either a disposition or wish on the part of the consuming public that there be a change in the law.

In the State of West Virginia, as well as in other States, this industry has grown to the extent that it is now self-supporting as an American enterprise. The senior Senator from Utah [Mr. SMOOR] on yesterday—and I wish to read from his remarks merely to emphasize the position that I take in this connection—said:

Mr. President, I will say to the Senator from Florida that this is a highly competitive industry. The Senator from Wisconsin forgot to call attention to all other varnishes, including gold size and japan, which are included in this bracket the rate in which the Senator is proposing to decrease from 25 per cent to 20 per cent.

Mr. President, if this is a highly competitive industry, if the industry needs this protection in order that it may continue to exist and expand and do the work which it is doing, the question very properly arises what jurisdiction, so to speak, has the Senate, in the absence of such evidence, now to change the rate.

It was contended yesterday by several Senators who addressed themselves to this subject that, though tariff bills are sometimes written upon the floor of the Senate, they are always conceived and executed in the political archives of the respective parties having for the time being the majority control of the committee. That seems to me to be thoroughly and distinctly immaterial. Here was the committee charged with reporting a tariff bill; there was an old tariff law before the committee as the ground work of its efforts; there was no testimony offered either for a reduction or an increase in this instance; and I propound, Mr. President, this question: If there is no evidence before the committee and no request in any form either to reduce or to increase a rate, then has the committee the right or the jurisdiction to change the existing law?

If the Committee on Finance comes in and says, "We have reported this provision as the old law had it and we did so because there was no request based upon competent and proper

testimony to change it," then I say the committee has done its duty. The committee can not upon the mere wish, the mere desire, the mere request of any member who says, "I desire to have this provision changed," assume to change it or to report a provision different from that contained in the law which has been written upon the statute books. If it does so, it does it without any evidence to justify its action.

I wish to say, furthermore, that I do not believe any committee of the United States Senate, under our form of government, occupies a position in any respect superior to a court. Our committees in the discharge of their functions exercise a judicial function and they act in a quasi-judicial way. Generally, in all of the actions which the Finance Committee takes the committee says, speaking through its chairman, the Senator from Utah [Mr. Smoot], that several communications were received asking if there was any disposition upon the part of the committee to change the existing law. I take the position, Mr. President, that no committee of the Senate can meet and, without evidence outside and independent of the personal wishes or whims of any member of the committee or any Member of the Senate, assume to change the law as the law exists and as the law is written.

The Senator from Utah stated on yesterday in the discussion of this question:

I will say in this connection that I think there is more justification for holding the rate in this instance at 25 per cent than in the case of the amendments which were defeated by a vote of the Senate.

Then he said that many letters had been received by the committee from persons interested in preserving the law as the law now is asking if there was any request to be heard and that he answered there was no such request.

Mr. President, we have raised very definitely and very distinctly the question of what is known in the law as the doctrine of estoppel. No man, whether he be a judicial officer or whether he be an individual litigant, can keep his mouth closed when it is his duty to open his mouth. If he does so, then the law, based upon high standards of morality, provides that he shall be made to keep his mouth closed when he desires to open it. That is the doctrine of the law of estoppel as applied in all legal and equitable proceedings. On what is that law based? The simplest definition of law is that law is a rule of action; that law is a rule of conduct based, of course, upon the general understanding of mankind. It would have been perfectly easy for the Committee on Finance to have called to its assistance the judgment and the experience as well as the information of the Tariff Commission upon this question, but the Finance Committee took no such action.

Let me say that if the Finance Committee, with the record such as I understand it to be, had come in with this bill and had reported that the tariff rates should be reduced from 25 to 20 per cent, then the Finance Committee would have been met by the proposition, "By what right or reason did you make this reduction in this tariff schedule? What evidence was there before this committee? This committee can not treat the wishes, this committee can not treat the desires, this committee can not treat the views of its different members, as evidence which will justify it in taking action that changes the existing law of this country."

So, Mr. President, I say that there is not a proper showing made in anything that is adduced or produced here to change the existing law.

It is true that the law as it exists now can be changed upon the floor of the Senate. I do not mean to say that the Senate has not that inherent right; but I say that there is no evidence adduced here before the Senate at this time that would justify the adoption of the amendment proposed by my friend the senior Senator from Wisconsin.

I read what he says in justification of his proposed amendment. He says:

Concerning varnishes, according to information furnished to the Finance Committee by the Tariff Commission, the domestic production in 1927 was 99,000,000 gallons, the imports were 25,000 gallons, and the exports were 482,000 gallons. The ratio of imports to consumption of varnishes in 1927 was 0.3 of 1 per cent.

I do not mean to say that the Senator from Wisconsin or any other Senator could not come here at this time and introduce evidence from either a consumer or a competitor which would show that the law ought to be changed. I do not mean to say that a Member of the Senate has not the right now, if evidence comes to his attention, to introduce it as it could have been introduced before the Finance Committee and justify the conclusion which he has reached as reflected in his proposed amend-

ment. But I say that there is no evidence adduced, there is nothing before the Senate which would justify the adoption of this amendment, any more than there was evidence before the Finance Committee which would have justified the Finance Committee in reducing this tariff schedule rate.

The chairman of the committee has said that this is a very competitive industry; and then he says that men wrote letters and came to him, and, as I recall, the Senator from Connecticut [Mr. Bingham] said that many messages were sent in to the subcommittee by people interested in this industry asking if there was any disposition—of course meaning by that, in its final analysis, if there was any evidence to be introduced or considered—that would tend to change this tariff rate; and that the people making such inquiries were informed that there was no such position taken by either the consuming public or any competitor or any importer, as far as that is concerned, to this effect.

Now, for the Senate to proceed to adopt this amendment, to proceed to change the existing law, to proceed to do it merely because the Senator from Wisconsin states in his remarks in behalf of his amendment that there is a larger domestic production than there is an import, and that there is a very much larger production than there are exports, is not, in any sense justified when there has been no evidence offered to show that it should be changed.

We must not lose sight of the fact that the existing companies are producing a high measure of prosperity in this country and in the very communities where they operate. We must not shut our eyes to the fact that if there is no justification, legal and moral, for changing this rate, we have no right in the realm of morals or in the realm of the enforcement of that which is proper and right to change a rate that may disturb very disastrously the future conduct of that industry.

This industry is bringing about a measure of prosperity in the communities where it is located. If we can believe the current reports that we read in the press, Mr. President, this country needs prosperity. We can not shut our eyes to the fact that if we reduce this tariff rate and curtail the production of many of these plants, because of the very sharp competition that is even now existing between them and which will become greater by reason of lowering the bars and permitting the imports to come into this country—if we do that, then we are destroying what prosperity we have. The men who work in these industries are not only consumers themselves but they are the home local market not only of agriculture but of every other domestic department of American industry in the very community where located and where these people reside.

We must not shut our eyes to the fact that if we are going to help solve this problem of unemployment in the United States we must, in every way that we can, so build up American industry and so sustain those industries that have built themselves up under the tariff law of 1922 that they can continue to operate and can continue to furnish employment to the people.

Mr. President, the notice that unemployment serves upon anyone who views the problem with an economic eye is this: That unemployment means that industry is idle; and when industry is idle, then we have men parading the streets of this United States looking for work and asking for assistance.

I was sorry to read, as I know my friend the senior Senator from Wisconsin was sorry to read, in the papers a couple of days ago that there was an army of 400 men walking the streets of the city of Milwaukee and calling upon the mayor of the city, asking for work. If we are throwing men out of employment in West Virginia, and those men, if employed, could buy the products of the industries of Wisconsin or any other State, then we are tending to increase this unemployment. Unemployment in the State of California is reflected in either the employment or unemployment of labor in the State of New York. There is no man in the United States, regardless of the line of industry in which he may be engaged, who does not contribute, as long as he is employed, to the prosperity of every State in this country and every section of this country.

So, Mr. President, in view of the situation as I see it, in the light of the report made by the Committee on Finance, I not only oppose the amendment offered by the senior Senator from Wisconsin but, for the reasons I have advanced, I do not think this amendment should be adopted by the Senate. Under all of the circumstances, in view of the absence of any concrete facts, I again say this amendment should not be adopted.

Mr. LA FOLLETTE. Mr. President, I do not intend to make an extended reply to the arguments which the Senator from West Virginia [Mr. Goff] has advanced, because they were discussed at some length on yesterday. I do think, however, that

the Senator from West Virginia takes an absolutely indefensible position when he makes the assumption that a protective tariff rate granted in the law of 1922 is a vested right obtained by the industry, and therefore that the Congress of the United States is impotent to change that rate unless notice has been served upon the parties enjoying that privilege.

Mr. GOFF. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. The Senator judges this matter as if it were an action in court. He talks about the doctrine of estoppel. Mr. President, assuming for the sake of the argument that the Senator's assumption is correct, there is another party in interest in these tariff rates, and that party is the millions of consumers in the United States. I think it will be of interest to the constituents of the Senator from West Virginia to find that he takes a position which excludes the right of the consumer and declares that the consumer is guilty of laches because he did not appear before the Finance Committee and ask for a reduction in the rates on varnishes.

Mr. GOFF. Mr. President—

The PRESIDING OFFICER (Mr. HATFIELD in the chair). Does the Senator from Wisconsin yield to the Senator from West Virginia?

Mr. LA FOLLETTE. I yield.

Mr. GOFF. I suggested in my remarks—and directed them to the Senator—that I did not contend that these industries had a vested right. I said that the Senate had a right to change the rate if the evidence was produced here now—which I said the Senator from Wisconsin had not done—to justify a change in the rate.

Mr. LA FOLLETTE. Nevertheless, Mr. President, the logic of the Senator's position is that the consumer has lost his right to a consideration of his interest because, perchance, he did not appear before the Finance Committee. That is the only ground upon which the Senator could talk about the doctrine of estoppel.

Who represents the consumer, Mr. President? The Senator from West Virginia evidently does not do so. He thinks a vested interest has passed to the manufacturers of varnishes in this country because in the mad scramble for high tariff duties in 1922 they, along with other industries, got rates which the facts produced from official sources prove were practically embargo rates.

The Senator from West Virginia voted against the resolution offered by the Senator from Idaho [Mr. BORAH] to limit the tariff revision to agricultural and related schedules. He served notice on everyone by his vote that all of these schedules were open to consideration. And now because the Finance Committee, composed of Members on the Republican side who believe, for the most part, that no tariff rate can be too high, did not consider the question of the rate on varnishes, he contends the Senate of the United States should not consider it.

Mr. President, so far as evidence is concerned, we have official evidence from the Tariff Commission concerning the situation in this industry. The Senator from Utah rises and makes an off-hand statement that this is a very competitive industry, but he offers no evidence to prove his statement. What should be the rule of action adopted by Senators in the consideration of this tariff bill? Are a majority of the Senators prepared to take the position of the Senator from West Virginia, that the consumers of the United States have lost their rights because they did not have the means or the facility for presenting their case to the Finance Committee?

The Senator from West Virginia evidently thinks that because the consumers of varnishes in his State could not afford to come before the Finance Committee and plead for a reduction in duty, they are no longer entitled to consideration.

I am not surprised at the Senator's position. His reactionary record since he has been in the Senate of the United States is a clear indication that he regards the interests of property as superior to the interests of humanity.

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. The Senator inquires what shall be the rule of action governing a Senator's attitude with respect to these matters. That is the question that interests me. I have observed for three or four days, as the amendments have been offered by the very able Senator from Mississippi and his distinguished colleague the Senator from Kentucky and the able Senator from Wisconsin, that the entire case constantly is rested upon a showing of exports and imports. Nothing is said about differences in costs of production at home and abroad. We hear

solely about import and export mathematics. Does the Senator think that such evidence is conclusive as to the measure of tariff protection which ought to be applied to an American commodity?

Mr. LA FOLLETTE. I think in this case we have official evidence demonstrating that the rates in the 1922 law have resulted in a practical embargo. Those who believe in a competitive tariff, in a tariff which is not an embargo, therefore have presented evidence upon which to base a case for a slight reduction in the existing law. I will say to the Senator from Michigan that the reductions offered have been slight.

Mr. VANDENBERG. The Senator, of course, is familiar with the fact that the verity of statistics depends upon their proper interpretation. For instance, the Senator is familiar with the fact that the maple-flooring industry is in dire distress to-day, but the Senate refused protection to it because the Senate obviously misread the statistics submitted by the Tariff Commission. The statistics were not subdivided so as to permit an intelligent interpretation. The Tariff Commission said that there are few imports of maple, beech, and birch flooring, but inquiry discloses the fact that a vast volume of maple, beech, and birch flooring comes in as lumber. I am simply using that as an example.

We were told that there are great exports of flooring, but inquiry discloses the fact that these exports largely are oak exports.

The point I am trying to make to the Senator is that it is not safe to take a conclusive judgment upon the basis of bare export and import statistics as we find them in the report of the Tariff Commission. That is not a complete rule of tariff protection proofs. Would not the Senator concede that?

Mr. LA FOLLETTE. I would concede it where the Senator can point out error in the statistics, but I have advanced no statistics of imports or exports which are subject to the challenge which the Senator makes concerning maple flooring.

Mr. VANDENBERG. The challenge does go back to the proposition of adequate notice before the Senate shall tamper with the existing economic situation. How can we discover whether the statistics submitted as to any commodity by the Senator in defense of an amendment are reliable and properly interpreted except as we have advance notice and an opportunity to inquire into them?

Mr. LA FOLLETTE. Mr. President, the Senator from Michigan can obtain these figures from his Summary of Tariff Information, and the figures are not subject to challenge in so far as varnish is concerned, as I have demonstrated in the previous debate.

Mr. VANDENBERG. Of course, if the Senator will permit, it is the figures found in the very volume to which the Senator has called attention to which I have referred as being unreliable without an adequate interpretation. I do not refer to varnish figures specifically. I refer to our general philosophy of action and procedure.

Mr. LA FOLLETTE. I think I have demonstrated to the Senate that, so far as my statistics on varnish are concerned, I have here figures which are accurate concerning imports and exports.

Mr. VANDENBERG. Will the Senator permit just one further observation?

Mr. LA FOLLETTE. Certainly.

Mr. VANDENBERG. The vice of the situation which has been discussed here for two days, as I see it, does not appropriately involve any theory of vested right in the protective tariff. The vice of the situation, as I see it, is that the Senate itself is not put upon actual notice of impending amendments so that Senators representing States in which affected industries are located have an opportunity to discover the whole truth and thus in turn can intelligently defend their own industries, and the Senate can vote other than speculatively. We should not raid 1922 industrial rates without conclusive indication of our acts.

Mr. LA FOLLETTE. In so far as this particular amendment is concerned, the Senator's objection certainly does not apply, because obviously the Senator from West Virginia has been working upon the matter, and has made a study of it.

Mr. President, in further answer to the Senator from West Virginia, I want to reiterate what was stated here on the floor of the Senate yesterday by the senior Senator from Michigan. The Senate Finance Committee changed rates in this bill without notice to anyone and without any hearing. How can Senators, then, come before the Senate and ask that the Senate shall not exercise the same privilege which the Finance Committee has exercised when the Senate has evidence before it?

We might just as well be frank about this matter. We know what is afoot. If this bill can be sent to conference without any reductions below the rates in the 1922 law, Senators believing in embargo tariff rates on industrial products know full well that the inevitable result of the conference report will be a general increase in industrial rates above the level of the rates in the 1922 law. The consumer will be bound, gagged, and delivered if the attitude taken by the Senator from West Virginia and others is carried out.

The Senator from West Virginia talks about prosperity. I am as interested in prosperity for the rank and file of the people in this country as is the Senator from West Virginia, or any other Senator in this Chamber. But it shocks me a little bit to find the Senator from West Virginia, a regular of the regulars, taking issue with the President of the United States concerning business conditions in this country. I hope the Senator in his zeal to present arguments in support of the reduction of this rate is not overstepping the bounds of his regularity. It would indeed be unfortunate if he should find himself in disagreement with the President about business conditions.

Every few days there comes a statement from either the President or the Secretary of Labor that employment is better and better and better. The public is led to believe that it is better than it ever was.

The Republican Party has done nothing about the problem of unemployment. In 1921 President Harding called a conference on unemployment. Secretary of Commerce Hoover, now President, was one of the moving spirits in that conference. The conference reported the fact that we had no adequate statistics gathered by the Government upon unemployment, and recommended that such statistics should be gathered.

In 1929, after a thorough investigation under a resolution which I introduced, the Committee on Education and Labor, of which the senior Senator from Michigan was then chairman, again reported that the Government of the United States gathered no statistics concerning unemployment which were adequate or reliable.

During all the time that President Hoover was Secretary of Commerce he was using the great organization of which he was the head to improve and to speed up mass production in this country. No man can criticize that action, but at the same time Secretary Hoover and every other person knew that the increase of mass production would bring about technological unemployment, that it would create a great human problem; and yet not once, either as Secretary of Commerce or as President of the United States, has Mr. Hoover taken any concrete steps to remedy the technological unemployment which he himself helped so much to bring about.

The Republican Party has done nothing about unemployment. The junior Senator from New York [Mr. WAGNER] has had pending in the Senate for over two years measures looking to the remedying of that condition and legislation providing for the gathering of adequate unemployment statistics. He has been unable to get those measures reported from committees controlled by the Republican majority in the Senate.

After the stock-market crash, when President Hoover had called in all of the great industrial magnates of this country for a conference, when he had made a survey of the entire situation, he did not submit in his message to Congress any constructive recommendation concerning the great human problem of unemployment.

I do not think it lies in the mouth of any regular Republican in this Chamber to talk about unemployment, when the Republican Party has done absolutely nothing to remedy the unemployment situation and has refused to pass measures designed to obtain accurate statistics on unemployment in the country.

Mr. President, can it be that the Republican Party, which has thrived politically on talk about prosperity since 1921, finds itself in a more convenient position not to have the facts about unemployment, so that these optimistic statements may be issued to the public based upon absolutely unreliable data in times of depression?

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. COPELAND. Last Monday morning I walked down Sixth Avenue in New York City, where the unemployment bureaus are located, and in front of every one of them, probably a hundred such places, were crowds of men seeking work. The unemployment in my city is terrific, there is no doubt about that.

Mr. LA FOLLETTE. Probably the most reliable statistics gathered upon unemployment in this country to-day are gathered by the government of the State of New York.

I think it so recognized by economists who have studied the problem. When the first ballyhoo statement was issued by

President Hoover that unemployment was better in January than it has been previously, his statement was challenged by Labor Commissioner Perkins of the State of New York. The labor commissioner declared that the statement issued by the Labor Department, upon which President Hoover predicated his announcement, must have been based upon inadequate data improperly analyzed.

Mr. President, I did not intend to be diverted from the matter under consideration here, but I am becoming somewhat irritated by the constant reiteration of the proposition that the tariff duties contained in the law of 1922 are a vested right which has passed to the protected industries and that the consumer is guilty of laches or negligence if he has not come down before the august Finance Committee and asked for a reduction in the rates in order that the prices of the products which he buys might be reduced.

Mr. McMASTER. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. LA FOLLETTE. I yield.

Mr. McMASTER. I noted the Senator's comment in regard to the attitude taken by the regulars now in reference to the bill. I might call the attention of the Senator from Wisconsin to the fact that day before yesterday the regulars of the Senate met in session. Up to that hour apparently they were ashamed of the Smoot-Hawley bill. There had been none of the regulars who had the temerity to stand on the floor and defend the bill because throughout the country the rates in the bill and the outrageous schedules contained in it had become perfectly familiar to the people. But day before yesterday I understand the regulars held a meeting and decided that one by one they would rise on the floor of the Senate and make the best defense they could of the indefensible bill which came out of the Finance Committee.

Mr. SMOOT (in his seat). There was no such action taken, I will say to the Senator.

Mr. McMASTER. What was the action taken, I ask the Senator from Utah?

The VICE PRESIDENT. Does the Senator from Wisconsin yield?

Mr. LA FOLLETTE. I will yield if anyone desires to interrupt me.

Mr. President, let us get back to the amendment under consideration. In 1927 there were 65,000,000 gallons of varnishes produced in the United States exclusive of the pyroxylin varnishes. In 1927 there were 27,000 gallons imported. The ratio of imports to consumption, which are absolutely comparable, was three-tenths of 1 per cent. Exports in 1927 were 800,000 gallons. We are upon an export basis in so far as varnishes are concerned. I need not point out to the Senate that every consumer, practically speaking, in the United States is interested in the price of varnishes. The rates provided in the 1922 act to all intents and purposes have proved to be embargo rates. They have shut out importations. Prices of the product have been high. The consumer has footed the bill. And now, when these facts are shown and when a price reduction in the embargo rates of 1922 is proposed, Senators object because some consumer did not come down here and get on his hands and knees before the Finance Committee and beg for a reduction in the rate.

I think a case is presented for a slight reduction in the rate unless Senators desire to take the position that they are in favor of an embargo rate. With any Senator who takes that position I have no quarrel. He may honestly believe that the best interests of the country will be served by building a tariff wall so high around the United States that no importations can come in. I, of course, can not subscribe to that theory. In the first place it places an onerous and indefensible burden upon the consumer, and in the second place it means, ultimately, the destruction of our export trade. As I said on the floor of the Senate a few days ago, in round numbers 10 per cent of our production is now being exported abroad.

Mr. NORRIS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I yield.

Mr. NORRIS. I think the Senator ought to add a third thing that will happen if we have embargo rates much longer, and that is that the European governments which owe us a vast sum of money, which we loaned to them during the war, will never be able to repay it.

Mr. LA FOLLETTE. I thank the Senator for the suggestion. I was just coming to it.

As I said, Mr. President, approximately 10 per cent of our present production in the United States is now exported abroad. I admit that that is a small percentage, seemingly, but analysis of the situation will demonstrate to any person who cares to go into it that the 10 per cent of our domestic production which is now being exported abroad represents the difference between prosperity and depression in the United States.

In the third place, roughly speaking, the figures show that last year we exported \$15,000,000,000 of capital for purposes of foreign investment. How is the return upon that investment to be paid to the American citizens who have invested their capital abroad if we build an embargo wall around the United States?

Mr. President, I make this appeal not only to those who believe in a low tariff, but I make it to those who believe in a high protective tariff. We have reached the point in the United States, as a result of the tremendous war-time expansion of our production facilities, where we have a capital investment which can not receive an adequate return—which can not maintain prosperity—unless our surplus production is sold abroad. If we build this embargo tariff wall and shut out imports and destroy utterly our balance of trade, then, Mr. President, let me say to those in the Senate who represent the industrialists of the country that we will in time reach the position where the failure to sell our exportable surplus of industrial products will result in depression and a debacle upon the domestic market.

Aside from the \$15,000,000,000 of capital which was exported abroad in 1929 for foreign investment, we must not forget, as suggested by the Senator from Nebraska [Mr. Norris], that the foreign governments still owe us tremendous sums even under the more than generous debt settlements which have been made with them. How are those countries to pay even that meager share of the debt which they owe to us if we prevent them from importing articles into the United States and thus maintaining at least some balance of trade?

Mr. President, a very significant development has taken place since the tariff act of 1909 was enacted. At that time the leading industries in the United States were the highly protected industries, the textiles, for instance. During the lapse of time since then the textiles have fallen in their relative importance as producers of wealth in the country until to-day they are, if my recollection serves me, in about twenty-third or twenty-fourth place on the list. In the meantime the great automobile industry, for example, has developed in this country until to-day, although they do not admit it in their public statements, if one can get an automobile manufacturer into a corner where he will talk frankly, he will state that, practically speaking, the saturation point has been reached in the United States and that for any further great development of the industry they must look abroad to foreign markets.

And now what is happening to the very prosperous automobile industry? Because of the high rates in the 1922 act and the threatened increase of the rates contained in the Hawley bill, and in the Smoot bill as reported to the Senate, the countries of Europe are preparing to take retaliatory steps against the endeavor to shut out imports from abroad contained in the pending bill. The automobile industry is threatened with retaliatory tariffs. I say that if we keep on in this mad way endeavoring to maintain embargo tariff rates in the United States, in the end, sir, those who take that position will be responsible for the destruction of prosperity in the United States.

The official figures, not subject to challenge, demonstrate that the rates upon varnishes were prohibitive in the act of 1922; they were, practically speaking, an embargo. I have offered only a slight reduction of 5 per cent ad valorem upon these commodities so important to the consumer. As I stated a moment ago, the official figures also show that we are on an export basis. The bill must go to conference. In view of the situation which confronts every legislator in the Senate I believe a case has been made for a slight reduction in the rates of the 1922 act, and I ask for a vote upon my amendment.

Mr. McMASTER. Mr. President, before the Senator takes his seat, may I submit an inquiry?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from South Dakota?

Mr. LA FOLLETTE. Certainly.

Mr. McMASTER. Has the Senator from Wisconsin the names of any of the companies which are large manufacturers of paints and varnishes in the United States?

Mr. LA FOLLETTE. No; I have not, Mr. President.

Mr. McMASTER. Could the Senator answer the question whether or not the Pittsburgh Plate Glass Co. manufactures varnishes?

Mr. LA FOLLETTE. No; I can not answer that question.

Mr. McMASTER. Can the Senator from West Virginia [Mr. Goff] answer the question?

Mr. GOFF. Mr. President, I have no information concerning that subject matter. Possibly the representatives of the Tariff Commission could inform the Senator.

Mr. SMOOT. Mr. President, I understand they crush the seed to make pigment, but they do not make any varnish. That is the information I have.

Mr. FESS. Mr. President, I want to make only one comment before we take a vote. I am not disturbed by the line of argument of the Senator from Wisconsin. It is not new except as it applies to new items. It is the same argument which has been heard for a hundred years on that side of the tariff question.

The argument as to foreign countries not being able to pay their debts was made when we were discussing the 1922 tariff bill. All that has been said now was then said, with much more elaboration.

The argument to the effect that high tariff rates will destroy our foreign commerce has heretofore been presented, as it is presented now; but the fact is that we have the largest foreign commerce that we have ever had in our history, and that foreign commerce is rapidly increasing.

The argument that we would cut off the revenue if we should increase tariff rates has no force whatever, because under the protective tariff system the revenues are increasing. That phase of the argument therefore does not appeal to me. I do not think I need take a minute to reply to it.

However, the Senator from Wisconsin made one reference to which I wish to pay some attention, and that is his statement that nothing has been done in the way of maintaining the prosperity of the Nation. What the Senator means is that the suggestions that have been made by a certain group in this country have not been accepted. One of those suggestions was that the Government should endeavor to produce prosperity through governmental price fixing. That idea has been fundamental with a certain type of thinker in the public service not only here but elsewhere. I wish to say to the Senator that that suggestion will not be accepted, it should not be accepted, and it can not be accepted, because there is too much sound economic sense on the part of the American people to enter into such a field as that of attempting to produce prosperity by fixing prices without any reference to value. Government can not create values. Of course, it can fix a price, but that does not change the value. Prosperity can not be produced by Government price fixing, and the suggestion has been rejected not only by the Republican Party but by a great portion of the Democratic Party.

Another suggestion offered by the same group which was not accepted was that we should enter upon a program of subsidizing house building and pay for such building out of Government appropriations. I am perfectly willing to join in the program upon which we have entered for public improvement by the Government. That, I think, is sound as an emergent measure when there is considerable unemployment; there is not any dispute about that; but to undertake to subsidize by Government expenditure the building of houses for individuals would not, as I view it, be a sound policy from an economic standpoint.

Another suggestion made by the same group which the Republican Party could not accept—nor do I think the Democratic Party would accept it—was to lower the freight rates in rail transportation below the cost of service, and have the Government make up the loss out of the Treasury. That proposal we would not accept. Where it is possible to revise the rate structure, it ought to be done, but to enter upon a horizontal reduction of freight rates on behalf of any particular group, fixing such rates below the cost of service, and then making up the loss by payments out of the Treasury, would be unwise.

Those were the three fundamental suggestions of certain groups in the country, set forth as progressive measures which would afford a basis of prosperity. The Republican Party has never yielded to those suggestions, and I do not believe it ever will yield to them.

On the other hand, however, the policy by adequate protective tariff rates of building up American industry, providing opportunities for the investment of American capital, and assuring employment to American labor at a wage scale that will maintain the American standard of living, is fundamental not only with the Republican Party but is coming to be a fundamental principle with the Democratic Party as well. That is the position which the administration has taken since the close of the

World War during the reconstruction period when emergency measures were proposed as remedies.

Now, just a word, Mr. President, as to the policy which has been entered upon which has been so severely criticized on yesterday and to-day. I do not deny that the Senate has a right to reduce any rate upon any item, whether the case has been presented before the Finance Committee or not. The Senate, of course, has that right, and individual Senators have the right to speak at any length, to propose any amendment they wish to offer, or to make any argument they may see fit to make, and it seems to me to be the duty of every Senator to pay due respect to the weight of the arguments thus presented; but, as a matter of sound procedure, I raise the question whether in a revision of the tariff we should not realize this dangerous situation, that a revision downward is going to disturb the business integrity of the Nation until the Nation knows the extent to which such revision is going, while in the case of upward revision there is not any disturbance of business, because the making of contracts to-day for delivery in the future is not thereby retarded, for there is then no danger that the contract price a year from now will be below what it is at this time. So if the revision is upward there is not any suspension of business, whereas if the revision is downward, and rates are fixed below what they now are, business will not be able to tell to-day what the price six months from now will be, and, therefore, business must suspend until it can find out what tariff rates will be provided.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. FESS. I yield to the Senator from Idaho.

Mr. BORAH. I understand the Senator's position to be that a revision downward would be calculated to disturb the business of the country, but a revision upward would not be so calculated?

Mr. FESS. A revision upward would not prevent anyone making a contract to-day for future delivery, whereas a revision downward would.

Mr. BORAH. Does not the Senator take into consideration the effect upon the country generally of the knowledge that there is going to be an increase of price and an increase in the cost of living?

Mr. FESS. I am talking about suspension of business; I am not talking about buying power. The Senator will agree with me that if we should to-day fix a rate that would necessarily result in lowering the price below what it now is nobody would make a contract at this time for commodities to be delivered six months from now until he knew what the rate would be. Therefore there would result a suspension of business for the time being in the case of downward revision, whereas if the revision is upward there need not result a suspension of business.

I want the Senator to understand me. I am not arguing that any given rate should be increased; I am stating that if we enter upon a general downward revision we will disturb the business of the country for the time being.

Mr. BORAH. There is not anything that enters more into the prosperity of the country, it seems to me, than the purchasing and buying power of the country generally.

Mr. FESS. That is the measure of prosperity; there is no doubt about that.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Virginia?

Mr. FESS. I yield.

Mr. GLASS. I can not understand the extraordinary proposition presented by the Senator from Ohio. I do not comprehend why it would not work one way just as well as the other. I can very readily appreciate that a manufacturer would know how to make a contract if the rate were increased, because in no event would his profits be affected disadvantageously; but how would the purchaser know how to make a contract until the question of the tariff rate was fully determined?

Mr. FESS. Mr. President, my position—and it certainly is the position of the Senator from Virginia, I think—is that if we proceed upon a revision downward business will suspend until the particular industries affected by the decreased rates ascertain what those rates are, and until they do so find there will be no contract made to-day for delivery a year from now or six months from now. It would be unwise for capital to proceed on that basis. While I do not deny the right of the Senate to reduce rates, of course, and I say the Senate has that right, I think when we proceed on a downward revision there ought to be a chance for the question to be thoroughly

discussed before we vote finally on any particular item of downward revision.

Mr. GLASS. The Senator does not answer my question at all. He confines his definition of business to the manufacturer and not to the consumer of any product. I say that the consumer of a product would be at as great a disadvantage in making a contract in the case of a product upon which the tariff has been raised as he would be upon a product upon which the tariff has been lowered.

Mr. FESS. I think I see the position the Senator from Virginia is taking—

Mr. GLASS. But I do not see the position of the Senator from Ohio.

Mr. FESS. Suppose we take cotton—that is not a good example because there is no tariff upon it, but it is a good example of future delivery on a contract. The textile interests will buy cotton a year ahead; they buy cotton even before the cotton is raised in order to meet the requirements of the trade. The cotton consumer might not be greatly disturbed as to whether the duty were lowered or increased; he probably would favor a lower rate; but he can not get his needs fulfilled until the producer will sell the commodity to him, and the producer is not going to enter into a contract for future delivery at a fixed price until he knows what the duty is going to be. As I have said, cotton is not a good example because there is no duty on it, but I use it as an illustration.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. FESS. I yield.

Mr. BARKLEY. Would it not be equally unwise for the purchaser, whether wholesaler, jobber, or retailer, to enter into a contract for future delivery of a commodity on which it is proposed to increase the tariff until he knows what the price is going to be and to what extent the tariff will affect it? In other words, nothing can be sold unless someone buys it, and if a reduction in the tariff would affect the seller for future delivery, would not an increase in the tariff in the same way affect the purchaser for future delivery?

Mr. FESS. It may have some effect, I will say to the Senator, but not nearly the effect it has upon the producer.

Mr. SWANSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Virginia?

Mr. FESS. I should like first to make a statement in reference to the suggestion of the Senator from Kentucky.

I think what the Senator from Kentucky says has weight; it would have some effect; but the one thing required for all business, not only for the consumers of cotton but for the producers, is to know what the price of the raw material is going to be. That is essential, of course, both from the standpoint of the producer and of the consumer. The consumer, who in this instance is the textile manufacturer, would be interested in knowing what the price is to be, but the initiative must come from the producer; without that there is not any business at all. My contention—and I think the Senator from Virginia will agree with it—is that where a tariff rate on an article that must enter into manufacture is being reduced downward, the manufacturer can not procure his needs until the producer knows what the rate is going to be, for it would be unsafe for him to make any kind of a contract for future delivery without knowing on what basis he could calculate his profit and insure himself against loss.

I now yield to the Senator from Virginia.

Mr. SWANSON. Mr. President, I have listened very carefully to the remarks of the Senator from Ohio; but I should like to give him a concrete example and ask him to explain it.

There is no effort in this tariff bill to reduce the tariff either on wool or on woolen goods, is there? The duty is increased both on the raw material and on the finished product.

Mr. FESS. So far as I know, that is true.

Mr. SWANSON. That is true; yet, if I understand correctly, wool has gone down in the last year. Woolen goods have gone down. The textile industry is in the worst condition it has been in for years and years.

Mr. SMOOT. Does the Senator want to make its condition still worse?

Mr. SWANSON. I am replying to the philosophy of the Senator from Ohio. He is able to answer my question. I am directing my question to him.

Here wool has gone down pending the determination of whether we are going to increase or decrease the tariff on it. Here are factories making woolen goods running, as I under-

stand, at from 50 to 60 per cent of their normal capacity. Here is an industry where there is no proposal except to increase and not to decrease the duty; and yet the agitation has made people refrain from buying wool and the price has gone down. It has made people who manufacture goods, and large stores that handle goods, refrain from buying.

Why does that occur in the woolen industry—this uncertainty and decline in prices because they get no purchasers? How is this concrete illustration applicable to the philosophy of the Senator from Ohio? I should like to know, for information.

Mr. FESS. Mr. President, does the Senator mean that a duty has no effect upon the price of an article?

Mr. SWANSON. No; my position is that any agitation of the tariff, whether it is in favor of revising it up or down, has practically an equally disturbing effect upon business.

Mr. FESS. I would not agree to that, Mr. President. I do not think that is accurate.

Mr. SWANSON. Here is the woolen business, which is disturbed in connection with the raw material; it is just as bad in connection with the finished product; and the Senator admits that there is no effort to decrease the rates. Why is it that the raw material—of which we supply only half in this country—and the finished product are both of them as much disturbed as any other business in this country, when the only proposition is for an increase and not a decrease of duty?

Mr. FESS. Mr. President, let me make my statement again. When we approach tariff agitation we always are faced by business uncertainty, because we do not know what will be the price determined by the duty. If the revision is an upward one, that does not disturb the integrity of business, because losses are not involved; but if it is a downward one, there is danger of loss. I think it would be foolish for any capitalist to make a contract for future delivery, with a fixed price upon which he is to deliver the commodity, if he does not know something of what the duty is going to be; and the mere agitation of the question of lowering the duty will necessarily suspend the business of the country.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. FESS. I yield to the Senator from Utah.

Mr. SWANSON. Before the Senator from Utah proceeds, let me say that I heard the Senator make that statement; and I ask him to explain why wool has gone down because manufacturers will not buy it, why the woolen-goods business and the entire woolen-textile industry are in a wretched and a terrible condition, when the only purpose is not to decrease but to increase the rates. I ask the Senator to conform these concrete examples with his general philosophy.

Mr. FESS. If the Senator from Virginia would only examine what the women are wearing to-day in reference to whether it is woolen or silk or rayon, he would have the answer to his question.

Mr. SWANSON. The styles of women's clothing have not changed much in 12 months.

Mr. SMOOT. Mr. President, the Senator from Ohio has partly answered the question as to the use of woolen goods. That is one great reason. Where hundreds of millions of hose are worn, not one is wool. Women have not an ounce of wool upon their bodies. They used to use millions and millions of pounds.

But that is not all, Mr. President. Australia's sheep industry has increased immensely in number. The production of wool in the world has increased, and there is not sufficient demand for wool in the world to consume the amount that is produced. The price of wool is wholly dependent upon where it can be sold; and I want to say that but for the tariff upon wool to-day we would be getting London prices, and they are 20 and 25 and 30 cents less than the price in this country.

Mr. SWANSON. I admit that you would not get as much, but I should like to have the Senator explain this: Here is a proposition to increase the tariff on wool.

Mr. SMOOT. Yes; 3 cents a pound, and that is what they will get—3 cents a pound.

Mr. SWANSON. And only one-half of our consumption is produced in this country; yet the Senator from Ohio asserts that when there is an agitation to increase a rate it does not disturb business; it is only when a decrease is proposed. Wool has gone down with this contemplated tariff pending, proposing an increase and no proposal for a decrease.

Mr. SMOOT. Wool has gone down all over the world. It is not a question of price now; it is a question of selling it.

Mr. SWANSON. You have not even added the 3 cents to it. The Senator's proposition is that if the tariff is agitated at

all it agitates business, and that it makes no difference in which direction it is agitated, because business is uncertain as long as the tariff is agitated. To show that it agitates it as disastrously one way as the other, I cite the wool schedule to show that where there is a proposition for an increase people will not buy wool, people will not make contracts for cloth until the matter is settled.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio further yield to the Senator from Utah?

Mr. FESS. I do.

Mr. SMOOT. The contracts for the woolen cloth that are being made now were made six months ago. There are only two seasons when any contracts to speak of are made for woolen goods—I mean when the wholesaler buys for the manufacturer. Those are the spring, the lightweight, and the heavyweight; and they are always bought six months ahead.

Mr. SWANSON. Everybody knows that; but I want to ask the Senator why the people refuse to make contracts for the spring manufacture of wool when we have a proposition here to increase the duty on wool, not to decrease it, they stop making contracts. The mills are not running. Why? Because there is a tariff agitation.

It is all folly to say that the only occasion that produces an unsettlement of business is when there is an agitation for a reduction. I deny it, and I produce an illustration here that proves it. I am not discussing what will be the ultimate effect. I am simply replying to the proposition of the Senator from Ohio that every time we offer an amendment here to reduce the tariff on an article it disturbs business, and that that is the cause of the present trouble. I ask him how he accounts for the fact that one of the industries of this country that is in the worst possible condition is the textile industry—I will not discuss cotton, but wool and raw wool—when there is no proposition to reduce the duty, yet the price has gone down. They have stopped trading, with a proposal to increase the duty, and the Senate has voted that way, which shows the folly of the proposition.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Ohio further yield to the Senator from Utah?

Mr. FESS. I yield.

Mr. SMOOT. The Senator says that the spring samples are being sold now. Mr. President, the fall samples come out in February.

Mr. SWANSON. I mean the fall samples, of course. This is spring. They make a contract now for delivery in the fall, and they make contracts in the winter for delivery in the spring.

Mr. SMOOT. Yes.

Mr. SWANSON. But they will not make contracts now for goods to be delivered in the fall, with this uncertainty.

Mr. SMOOT. They are making them as far as the demand goes; but the Senator knows the reason for the lack of demand for woolen goods just as well as I know it.

Mr. SWANSON. No; I do not know the reason for it.

Mr. SMOOT. The Senator knows that there is not the amount of woolen goods used per capita in the United States now that there was 10 years ago.

Mr. SWANSON. But everybody knows that we do not manufacture in this country one-half of our product from American raw material; yet a proposition is pending here to increase the duty on raw wool 3 cents a pound, and it has stopped the sale of wool and unsettled business.

Mr. SMOOT. The woolgrower will get every cent of the advantage of that 3-cent increase.

Mr. FESS. Mr. President, I revert to my original proposition. The illustration given by the Senator from Virginia does not apply. When a manufacturer desires to purchase raw wool, he knows something about what the price is likely to be. If he is uncertain as to what it will be, he is not running any particular risk, because he sells his finished product after he has purchased his raw product. The price of raw wool is not going to affect the price of the manufacturer before he sells his finished product, for if he has to pay an additional amount for the raw material, he will, of course, make it up in the sale of the finished product. He will not hesitate to buy because of any prospective change in the tariff. But the seller of the raw material who now makes a future contract for a specific price may suffer a loss when a change is made in the tariff which affects his product. On the other hand, although the purchaser may not know what the duty will be, he knows that after he buys the raw material, at whatever price the manufactured article may be sold in the market, if there is any loss he will make

it up. So, of course, the position taken by the Senator that an increase in the tariff or a revision upward will disturb business just as much as a revision downward is not sound; and the Senator must see that it is not.

I made this observation only for the reason that we are in more or less of a stage of uncertainty, and I think we are adding to the uncertainty by this procedure here in the Senate. I know that the uncertainty would be much accentuated if it were not generally believed that the Senate is not making this law; that the bill will have to go through the House as well as the Senate, and be signed by the President. So I hope the country knows that what the Senate is doing in its downward revision here is not necessarily final; and for that reason the uncertainty may be somewhat relieved.

Mr. BARKLEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. FESS. I yield to the Senator.

Mr. BARKLEY. The Senator knows that until within the last two or three days no amendments have been offered by any Senator proposing a reduction in any rate below the 1922 act.

Mr. FESS. Some were offered by the Senator from Kentucky himself while we were discussing the amendments.

Mr. BARKLEY. Yes; but until the last two or three days no Senator has offered any amendment to this bill proposing a reduction below the 1922 law.

Mr. FESS. But nearly all that are offered now are below the 1922 law.

Mr. BARKLEY. So whatever uncertainty has existed up to this time certainly can not be attributed to any desire or effort to reduce the tariff; but it must have been due to the increases that have been made up to now—

Mr. FESS. Oh, no!

Mr. BARKLEY. Because reductions have not been considered. The only reductions proposed here, even in the chemical schedule, below the 1922 law, are reductions on commodities of which there are practically no imports whatever; and certainly these efforts to decrease rates infinitesimally below those of the present law could not have brought about the business uncertainty that now exists.

Mr. FESS. The observation of the Senator compels me to make a statement that I did not intend to make.

There was no dangerous suggestion to the business of the country until we came in here and found that a combination had been made in this body that was able to write any rate that it might see fit to write. It could write the rate upward, it could leave it as it is, or it could write the rate below the present law.

The moment the news went to the country that the Senate under its organization was capable of reducing the rate on every item below that in the present law, if it saw fit to do so, there was uncertainty that spread over the country from one end to the other.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FESS. I think there is no doubt about that statement. There was criticism of this body, which I did not share. Senators had the right to follow that course if they desired. There came the tremendous break-up of the stock exchange, which was absolutely inevitable anyway. Prices had gotten so high that they had to fall. It was only a matter of time when the break would come. I am not criticizing, but making this statement, and I think the Senator must admit it, that the moment the country awakened to the fact that there was a combination in the Senate which had the power to reduce every rate below that in the present law if it desired, there was uncertainty on the part of business at once.

Mr. BARKLEY. Certainly the knowledge last September, when we started to consider this bill in the Senate, that if a majority of the Senate desired it could reduce rates below those in the present law, could not have been very influential or effective in bringing about the crash that came in the stock market in November and December, and nobody who is familiar with the conditions of the New York stock market and the frenzied enthusiasm of the public which had been drawn into this vortex of speculation attributes what happened on the stock market to mere speculative power of the Senate to reduce some rate below that of the law of 1922 if it wanted to.

I will say to the Senator from Ohio, in view of the unanimous criticism, not only of Democratic but of Republican newspapers, and of individuals all over the United States, of the rates carried in the bill as it passed the House, in view of the fact that as the bill came from the Senate committee it brought about only a small softening in that criticism on the part of the press of the United States and the people, the number of amend-

ments here to reduce rates below those of 1922 has been comparatively infinitesimal, and could have had no effect on American business or the psychological outlook or the prospect for business in the future. I think we have been extremely mild in our efforts to reduce any rate below the rate of 1922.

Mr. FESS. Mr. President, I rather think the Senator is giving undue weight to what he has referred to in the statement he has just made. I agree with him absolutely that the stock-exchange crash had to come, and I think, outside of individual losses, it has been rather a good thing for the country, and in 30 days from now probably we will not know there was such a thing. The country is on a substantial basis. But the Senator will hardly deny that if it appears to the country that there is a possibility of lowering tariff rates below those in the present law, that will have a disturbing effect on the business of the country.

Mr. BARKLEY. If the Senator will yield—

Mr. FESS. The Senator will certainly admit that.

Mr. BARKLEY. If a majority of the Members of the Senate and of Congress, regardless of politics, from the evidence available either from their own investigations or from information furnished by the authorities of the United States Government or from private sources, believe that some rates in the present law are too high, certainly the Senator does not take the position that a majority of the Senate, believing that, ought to forego its duty to undertake to lower the rates merely because somebody may be disturbed by the action we may take here. If we are right in the reductions, should we be influenced by the fear that probably for a month or six weeks, even admitting that it would happen, for the sake of the argument, we ought to forego the performance of our duty on that account?

Mr. FESS. It is not my province to indicate to any Senator what his course should be. I would be the last man to criticize any course any Senator may take. If a majority of the Senate want to do a certain thing, that is their business. The only matter I have called to the attention of the Senate was the uncertainty that is inevitable where it appears the power as well as the desire might obtain to reduce the rates below those in the present law.

Mr. President, just one further word. I do not think I would have taken any time in the discussion if it were not that we have been enjoying for nine years the highest level of business activity any nation has ever experienced.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. CARAWAY. I am impressed with the statement the Senator has made about the high level of prosperity, in view of the sworn testimony of Mr. Hobbs, of the National Woolen Manufacturers' Association, that since 1923 they have been losing money. He said all the textile industries were in that condition.

Mr. FESS. Yes, Mr. President; the coal industry and the textile industry are two industries which did not share in the general prosperity.

Mr. CARAWAY. The farmers have not shared in the general prosperity, have they?

Mr. FESS. The agricultural interests in some sections of the country have not shared in great prosperity. In my section there is not very much complaint, I will say to the Senator from Arkansas.

Mr. CARAWAY. I have heard quite a good deal from farmers, but, unfortunately, they did not realize how prosperous they were. They thought they were not prosperous.

It is conceded now that the textile industry, the coal industry, and agriculture have not prospered. Who, then, has had such an era of prosperity? There have been more bank failures in the last three years than had occurred before in the entire history of our Government. Banks, agriculture, coal, textiles, have not prospered.

Mr. FESS. Mr. President, I stated that the coal industry and the textile industry have not shared in the prosperity, the coal industry because there are 500,000 coal miners producing coal which 300,000 could produce. That means that either a large proportion of the coal miners must be out of employment all the time or, if they are all employed, they will all be out of employment part of the time, because you can not possibly provide permanent employment for all engaged in an industry if there are two-fifths more in the industry than are required to produce the amount consumed. That is a difficulty which this Congress can not cure by simply passing a law, as some people think, fixing prices, as has been suggested.

There is no secret about the condition in the textile industry. It is not due to legislation. It is due to the simple law of supply and demand and changes in fashion. As the Senator from

Nebraska once said here in his inimitable fashion, the girl of to-day perfectly dressed on the street wears less clothing than her grandmother wore when she went to bed, a statement that is probably true. If you think you can cure that thing by legislation, let somebody undertake it. I do not propose to try to remedy it by legislation.

That is the explanation of the condition in the textile industry. It is not due to a failure of legislation or to any particular legislation. I have stated the situation with reference to the coal industry.

The agricultural industry is bound to be more or less in trouble so long as more agricultural commodities are produced than can be sold, and we ought to enact any remedial legislation that will assist in marketing, so that the producer of agricultural products will get a greater share of what the consumer has to pay. We have gone as far as I think we can go in the enactment of such legislation at the special session.

Mr. CARAWAY. Mr. President, will the Senator yield to me? Mr. FESS. Will not the Senator permit me to finish?

Mr. CARAWAY. Pardon me just a moment. The Senator referred to what we had done for agriculture by the legislation passed at this session. The prices of cotton and wheat are lower than they were when we passed the bill. Cotton dropped \$3.50 a bale yesterday, without a strike, without a threat of war, without a changed condition in consumption, and nothing, so far as one could see, because cotton is not being harvested now; the cotton was gathered last fall. Yet under this life-saver which the Senator now commends so highly, ever since it has been in operation the price has been going down.

Yesterday cotton dropped \$3.50 a bale. The board pretended that it was helping agriculture by loaning some money, so that the producers could hold cotton in the cooperative associations, and immediately went on the market and sold as much as they loaned the money on. In other words, they did everything they could to break the price by short selling. If agriculture is going to be relieved by them, God help agriculture.

Mr. FESS. Mr. President, the function of the minority in legislation is negative, to find fault with what is done. We excuse that. That is expected in government like ours. It is to be expected that everything the administration does will be resisted by the minority while it is being done, and then every conceivable criticism offered after it is done. I have no complaint of that. That is the function of the minority in legislation, and the Senator from Arkansas is an artist in the performance of his duty in that respect.

If cotton drops so much per pound, the question would be how much it would have dropped if the remedial legislation which has been enacted had not been enacted. It is easy to say, "In spite of this, this or that was not done," but it is difficult to determine what would have happened if the legislation had not been placed upon the statute books.

I was about to say, in conclusion, that for nine years our purchasing power has been on a higher level than that of any other people in the history of the world. The politicians in this body will deny that, but nobody but politicians would have the temerity to assert that that is not true.

There never have been such high wages paid as are paid to-day. There never has been such a high standard of living as that of to-day. There never has been such general distribution of money as there is to-day throughout the United States. The purchasing power of the American people has never been as high as it has been in the last eight years. I have feared all along that we would reach the saturation point where there would be a lowering of activity and the danger of depression, not because of legislation, but the more or less evitable outcome of our modern industrial system.

It is stated that the so-called "cycle" in business, a high level always being followed by depression, is not necessary; that it can be avoided. I do not know whether it can be or not. One way of avoiding it is to hold production within the limits of consumption so as not to pile up the shelves with unsold goods, so that while an inventory is piling up, business has to slow down or close down to wait for consumption to catch up with production. I have been afraid that in our unregulated production we might reach that stage. We have not reached it, but we have been in this progress for nine years and I have been afraid that we might reach the point of saturation in overproduction. That is a problem which does not grow out of legislation. That is a problem of unregulated production.

My concern here is that because a business is prosperous, like that engaged in the production of the item which we are now discussing, where the production is great, where the exports are not negligible, but material, where the employment is fairly good—that simply because that condition exists is no

argument for a reduction. Have we reached the point that because an industry is profitable, running at reasonable capacity, producing for our needs and exporting, that in and of itself is an argument that without a hearing we must immediately interrupt it by reduction of duty? I do not want to do that until we find the actual facts. I shall not take the word of a free trader who is opposed as a philosophic proposition to a protective policy, because that is his view of it. He would take away all protection and put everything on the free list.

As a legislator, maintaining the integrity of American business, I believe that the simple fact that a business is prosperous is not conclusive evidence that we should reduce the tariff, at least until we get the facts. That is why I rose to say that this is not quite, to my mind, a justifiable procedure. It creates uncertainty throughout the country. More than that, it is not fair for anyone to say that there has been nothing done for business only because the administration has not accepted his peculiar nostrum as fundamental. This administration will not accept Government price fixing. This administration will not accept unemployment allowances in the form of doles, which was recommended at the close of the war. This administration does not propose to enter into subsidizing for the mere purpose of subsidizing. This administration is not going to proceed to lower the price of public service below cost and then make it up out of the Treasury of the United States. If the complaint that we have done nothing is based upon the fact that we have not accepted these unsound proposals, then I accept the complaint; but it is not based upon anything that rings sound in economic judgment.

Mr. LA FOLLETTE. Mr. President, the Senator from Ohio [Mr. Fess] has gotten pretty far afield. My complaint, as the Senator will find if he reads the Record, is that this administration, although the head of it was a very enthusiastic supporter of mass production, which brings about technological unemployment, has done nothing, nor did he do anything while Secretary of Commerce, to remedy the situation—the unemployment problem.

I stated further that although President Hoover, as Secretary of Commerce, was a member of President Harding's unemployment conference which reported that we had inadequate and unreliable statistics upon unemployment, he had not taken steps to provide for the gathering of adequate statistics upon unemployment so that an intelligent basis might be available for dealing with the problem.

In the second place, the so-called prosperity reserve bill was introduced at the last session of Congress by the Senator from Washington [Mr. Jones]. We had hearings before the Committee on Commerce. The bill was reported to the Senate, but the Republican majority never did anything to secure its enactment into law. The Senator has tried to put into my mouth words that I did not utter. I have not based my contention that this administration has utterly neglected to remedy the human problem of unemployment on the ground that they had not accepted this nostrum or that nostrum. I made no such statement. I said that this administration, in spite of the fact that the head of it had acknowledged in a formal report that we had no adequate statistics upon unemployment, had done nothing to secure the gathering of those statistics, and that to-day he is engaging in the same practices that President Harding and President Coolidge engaged in, namely, the issuing of ballyhoo, optimistic statements upon data which he himself as a member of President Harding's unemployment conference had declared to be inadequate and unreliable.

I think I may be pardoned if I recapitulate, before we have a vote upon the question, the facts concerning varnishes. In 1927 the domestic production was 65,000,000 gallons. The imports were 27,000 gallons. The exports were 800,000 gallons. I maintain that this makes a case for a reduction, and I propose only a slight one, mind you, in the rates of the 1922 act which have proven to be embargo rates.

So far as I can ascertain there was only one concern which appeared before either the Ways and Means Committee or the Finance Committee. That concern appeared in support of the retention of the duty of 25 per cent ad valorem. I do not desire to disclose the name of the corporation, and I wish to state in fairness that it is engaged in the production of other products, and therefore I can not separate its profits upon its varnish production from those on its other business. Its tax return shows that in 1928 its gross sales were \$6,533,510, and that after making all of the deductions which are permissible under our income-tax laws its profits, according to its own books, were \$1,739,399; in other words, its profits were 25 per cent upon its gross sales.

I submit, in view of the importance of this product to the consumer and in view of the official information now before the Senate, that we are justified in granting this very slight reduction upon the 1922 rate.

Mr. GOFF. Mr. President, what I now intend to say I should possibly have stated before the remarks of the Senator from Ohio. I did not know that he intended to take the time he did in addressing the Senate or I should have asked him for the privilege of speaking then as I intend to speak now.

I did not at any time contend that any manufacturing, agricultural, or industrial interest in the country has a vested right in any tariff schedule, as the Senator from Wisconsin [Mr. LA FOLLETTE] insists that I did. I do not contend that any such interest has any such right, and I do not defend it. The Senator from Wisconsin either purposely or unintentionally misinterpreted what I said. I said, Mr. President, that the Committee on Finance had no right and it had no jurisdiction, to use a legal term, to come into the Senate with its bill if it did not have evidence other than the whims or the wishes or the idiosyncrasies of members to defend the conclusions which it reached.

I did not in the discussion of this matter intend at any time to resort to personalities. Let me say to the Senator that I have never in all of my experience in the discussion of questions seen personalities creep in unless there was a paucity of ideas inculcated with an absence of fact, and that, then, seemed to produce it and bring it about.

The Senator from Wisconsin said that I am a "regular" Republican, and seems to pronounce that term with scorn and derision. Mr. President, if I were not a "regular" Republican, if I did not believe in the principles and the platform of that party, I want to say to the Senate and to the Senator from Wisconsin that I would not sit on this side of the Chamber, and I would not take assignments on committees as a member of the Republican Party.

I have been charged by the Senator from Wisconsin with being a "reactionary" Republican, and he said that my record in the Senate has been that of a "reactionary" ever since I have been in the Senate. I want to say to the Senator from Wisconsin that he may call it "reactionary" or he may nickname it anything that comes to his mind at the time he is called upon to describe my record in this honorable body; but I belong to the party, Mr. President, which has contributed more than any other party in the history of the United States to the prosperity of this country and to its present position among the nations of the world.

The Senator from Wisconsin furthermore said, Mr. President, that as a "reactionary" I have been "running true to form." Why was it necessary, if the Senator from Wisconsin had facts or if the Senator from Wisconsin had reason, that he should resort to personalities in answer to the argument which I presented in a purely logical way to the Senate? He said that as a "reactionary" Republican I believe in the doctrine of protecting property at the expense of the consumer. I know from the experience and history that no consumer has the wherewithal to consume unless there be property duly protected.

Mr. President, I am proud of the fact that such is my record, and I am proud of the fact that I can go back to the State of West Virginia and say to my constituents and to my fellow citizens there that I have stood always for the things that make not only for the prosperity of the United States but for the preservation of the American home.

I am proud, Mr. President, of my record, and I hope that the senior Senator from Wisconsin is as proud of his radical, socialistic record ever since he has been a Member of the United States Senate as I am proud of my "reactionary" record as a member of the Republican Party, because I can say to the Senator from Wisconsin, almost to the point of assurance, that his record has carried with it the laurel wreath of reactionary, radical socialism not only in the Senate but outside of the Senate wherever his remarks are read and discussed.

Mr. LA FOLLETTE. Mr. President, unfortunately I am not able as yet to obtain a copy of the transcript of the reporters' notes of the Senator's speech when he first addressed himself to the subject, but I am willing to let the remarks which I made stand upon the record. The Senator made statements which I think were subject to the construction which I gave to them.

Now, Mr. President, so far as I am concerned, I do not intend to get into a personal colloquy with the Senator from West Virginia relative to the character of our respective records in the Senate. I submitted my record made in the Senate to the constituency of the Republican voters of Wisconsin, and I was reelected by a majority of 525,000. I am satisfied that my record apparently appealed to a majority, and a substantial majority of the citizens of Wisconsin.

The Senator from West Virginia will have an opportunity in a very short time to submit his record to his constituents in West Virginia, and it will be for them, not for me, to say whether his representation of them in the Senate of the United States has expressed the viewpoint of a majority of the people in that constituency.

Mr. President, I desire to say, in conclusion, that I wish for a record vote on this amendment, since there has been so much discussion of it. In spite of the statement made by the Senator from West Virginia that I was suffering from a paucity of information, I think the official facts which I put in the Record justify the contention for a reduction.

I also desire to say that I am very glad, Mr. President, that the senior Senator from West Virginia has had an opportunity to reaffirm his allegiance to the ultra-reactionary doctrines which he has followed since he has been in the Senate, and I still maintain that an examination of his record will disclose that he has placed the interests of property above those of humanity.

Mr. SMOOT. Mr. President, I ask for the yeas and nays on the pending amendment.

Mr. WHEELER. Mr. President, I do not rise for the purpose of pouring oil upon the troubled waters of the different elements of the Republican Party. I must confess, however, that I think the Senator from West Virginia [Mr. GOFF] probably more nearly represents the real thought of the majority of those who put up the campaign funds for the Republican Party than does the Senator from Wisconsin [Mr. LA FOLLETTE]. As a matter of fact, I hope that what the Old Guard will do will be to kick a lot of the Republicans out of the Republican Party. I think it would be well for the Democratic Party if that should be done.

Mr. President, I rise not so much to discuss the Republican Party as to discuss certain phases of the tariff as it concerns the farmers of the country. The senior Senator from Ohio [Mr. FESS] just pointed out in a very eloquent and impassioned speech the great prosperity that the Republican Party has brought to the people of the country. He, however, said nothing about the great farming interests of the country.

Mr. GLASS. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Montana yield to the Senator from Virginia?

Mr. WHEELER. I yield.

Mr. GLASS. Did the Senator from Ohio point out the prosperity of the people of the country? He talked about it, but did he point it out?

Mr. WHEELER. I mean he attempted to point it out. I stand corrected.

I rise at this time for the purpose of saying that I am interested in seeing some of the tariff rates lowered below what they were in 1922, because of the effect that the tariff has upon the great farming communities.

The Republican politicians in 1922 went into the West and Middle West and said, "We are going to give you a tariff upon wheat; we are going to give you a tariff upon this, and we are going to give you a tariff upon that, with the result that you will be put upon a parity with the manufacturers of the East." They did give the farmer, as I recall, a 30-cent tariff upon wheat, which later was increased to 42 cents. The farmers in that section of the country were fooled by the Republican propaganda which was sent out. Republican orators misled the farmers there. Instead of prosperity following the enactment of the 1922 tariff act, so far as the farmers were concerned, let me say that immediately after that law went into effect they had to pay more for everything which they purchased and they received less for the commodities which they had to sell.

To-day everyone knows that the tariff rate placed upon the wheat of the farmers was ineffective. No Republican Member of the Senate—I say no Member of the Senate, but I can as well say that no responsible, intelligent individual anywhere—has had the temerity to stand up and say that the tariff on wheat was beneficial to the wheat farmers of the country. It was only Mr. McKelvie, a member of the Farm Board, who came before the Committee on Agriculture and Forestry and argued that the tariff was beneficial to the farmers.

After the leaders of the Republican Party found that the farmers of the Northwest and the Middle West had awakened to the fact that they had been fooled in 1922, then, of course, they said, "We have got to do something to deceive them in 1928." So they went out and said, "If you will elect Mr. Hoover President of the United States he will solve this great problem; he has some ideas regarding the farm problem which

have not been disclosed and which he is not going to disclose to the people of the country until after the election; but leave it to us; elect him President, and immediately something will happen which will raise the price of your farm products."

Then, following the election of Mr. Hoover, there was presented to the Congress of the United States a farm relief bill. It was presented to us, as a matter of fact, as Mr. Hoover's plan of solving the farm problem. The Congress of the United States passed that bill. Most of the Democrats voted for it, because it was said, "This is the administration's plan, and we ought to give it a trial."

After the bill had become a law President Hoover sent to the Congress the names of members of the Farm Board whom he had appointed. The Democrats upon this side of the Chamber said, "Regardless of whether or not we like those who have been nominated for the Farm Board, we must accept them, because Mr. Hoover wants these men appointed and we ought to accept them." So they were accepted by a large majority on both sides of the Chamber as well as generally throughout the country.

Mr. President, that was something like six months ago. I hold in my hand a pamphlet which has just been issued by the Federal Farm Board, being a "Report of the Activities of the Federal Farm Board in the Administration of the Agricultural Marketing Act." The statement is dated Washington, January 15, 1930, and, of course, it has been broadcasted and sent to all of the great cooperative organizations. It sets forth the great things which have been accomplished by the Farm Board; but, Mr. President, the fact remains that cotton to-day is lower in price than it has been at any time since 1926. The fact also remains that the wheat farmer to-day is in worse condition, as he has been in worse condition since the present administration came into power than he had been in a long period of time previous thereto.

When the farm-relief bill was passed it contained a clause to the effect that the Federal Farm Board should appoint an advisory council, which should then advise the Farm Board as to whether or not stabilization corporations should be organized. As I have said, six months have elapsed, and it was only just the other day that the Farm Board first appointed an advisory council on wheat. That advisory council met a few days ago in the city of Chicago and urged upon the Farm Board the immediate creation of a stabilization corporation. Whether the Farm Board is going to take action in compliance with the law and in compliance with the recommendations of the advisory council I am not able to say; but I do want to emphasize the point that, unless they shall create stabilization corporations in accordance with the provisions of the law now upon the statute books, not only will every wheat farmer in the country and every cotton farmer in the country go broke and be compelled to abandon their farms, but every cooperative which has been buying wheat and every cooperative which has been buying cotton at the suggestion of the Farm Board will likewise go broke, because of the fact that the Farm Board advised all of the cooperatives to buy wheat at a certain figure and immediately the price of wheat dropped, and likewise the price of cotton dropped.

I wish to call the attention of the Senate to these facts:

On November 8 the board announced the approval of a loan of \$2,000,000 to a cooperative in the Minneapolis territory, and on November 21, \$400,000 to another in the same territory on the basis of \$1.25 No. 1 northern, Minneapolis, and subject to a loan in each instance of 75 per cent of market value from the intermediate credit bank. If these funds were all taken and used on that basis it means that one institution acquired 6,400,000 bushels of wheat, and the other, with a smaller loan, 1,280,000.

On November 11 they announced approval of a loan of \$500,000 on the basis of \$1.15 per bushel for No. 1 hard winter, Kansas City.

On November 25 a loan for the same amount was announced upon the same terms to another cooperative in the same district. This was followed by the announcement of a loan of \$200,000 to a third organization upon the same terms December 12.

These were loans supplemental in each instance to a 75 per cent loan by the intermediate credit bank. If these funds were fully employed on the agreed basis it means that each of the associations borrowing \$500,000 has approximately 1,500,000 bushels of grain acquired on that basis and the one with the smaller loan, \$200,000, has in excess of 500,000.

These figures are arrived at by taking 75 per cent of market value as the amount of intermediate credit bank loan per

bushel, which is uniform, subtracting this amount from established basis to ascertain the amount per bushel of the Farm Board loan, and computing the number of bushels that could be acquired on that basis with amount of announced loan.

It will be seen that the loans, if used in full, would result in the present holding of approximately 11,000,000 bushels of wheat by the several cooperatives.

The usual storage charge is 1 cent per bushel per month; interest and insurance will add another half cent. On the basis of yesterday's market closing, at the various terminal points the price averaged $4\frac{1}{2}$ cents per bushel below the loan basis, thus leaving a net loss at the moment of approximately 9 cents per bushel.

Board loan basis: \$1.25 No. 1 northern, Minneapolis; \$1.15 No. 1 hard, Kansas City.

Yesterday's closing: No. 1 northern, Minneapolis, \$1.19 $\frac{1}{2}$; Kansas City, No. 1, hard, \$1.12.

Mr. President, it must be borne in mind also that while this board has been operating for six months, and has been urging these cooperatives to go in and buy wheat, it has not been assisting the farmer at all. There has not been anything done by the board to assist the farmer this year, notwithstanding the promises that were made to the farmers of the country that the board would immediately take care of this year's crop. On the other hand, the only effect that the buying of wheat is having at this time is to help some of the farm elevators and other small elevators throughout the country.

I might say that there has not been a dollar of benefit to any wheat farmer in the United States of America, unless he is also engaged in the elevator business, by the creation of this Farm Board and the expenditure and the loaning of these millions of dollars. Not a dollar has the farmer who is out on the farm been enriched by the activities and actions of the Farm Board up to this time. I am speaking of wheat farmers, and I think the same thing is true of the cotton farmer. Notwithstanding the fact that the farmer was in distress, the Federal Farm Board has waited for six months, waited until the farmer had disposed of his wheat, before carrying out the provisions of the act in reference to appointing an advisory council on wheat. Now, Mr. President, after waiting six months before creating this advisory council, and after getting the advice and the requests of the council to create this stabilization corporation not only for the purpose of helping the farmer but also of helping the cooperatives which are going to suffer this tremendous loss by reason of the activities of the Farm Board in urging them to buy this wheat and loan this money, they are hesitating as to whether or not they should create a stabilization corporation. Instead of carrying out the policies of the farm bill, instead of carrying out the policies enunciated by the Members of Congress upon the floor of the Senate, instead of carrying out the desires of Congress with reference to this matter, they went out and said that the prime object of this bill is to get the farmer in this country to reduce his acreage.

Mr. CARAWAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WHEELER. I do.

Mr. CARAWAY. The Senator a minute ago made the statement that he did not know whether the cotton farmer would profit. The result has been that every time the Farm Board has given out a statement the price has broken.

I want to read part of a letter from Dow, Jones & Co. This refers to some days ago:

At late afternoon hour, market broke. Further losses amounting to more than \$2 a bale net. Break follows statement by Chairman Legge, of Federal Farm Board, that new marketing agency being formed in South does not contemplate buying on large scale, or at any foolish price.

Two dollars a bale, if the Senator will stop to think, when the South must have still in its possession more than 5,000,000 bales of cotton, would be a \$10,000,000 loss. Since then the price has been steadily declining, and yesterday it broke \$3.50 a bale. Now, what to me seems axiomatic—though possibly some will not agree with me—is this, if the Senator will pardon me just one second.

Mr. WHEELER. Yes.

Mr. CARAWAY. The cotton organization set up now have selected one broker through whom they are going to sell cotton, so that they can concentrate, and therefore everybody can see who is moving and who is selling. It seems to me obvious that if the Farm Board or their agency are in the market, selling cotton on the future market, that is notice to everybody that

they expect the price to drop. They would not be selling cotton—a million bales, as they suggested they wanted to sell—unless they expected cotton to be lower; and when they themselves select one brokerage firm through whom they are going to sell futures, and commence to sell, and everybody can see them selling, and everybody knows, therefore, that the people who own cotton are short selling, then any idiot will know enough to go in and join the movement, and down goes the price.

Mr. WHEELER. I am very glad to have the observations of the Senator from Arkansas with reference to cotton, a subject with which I am not very familiar.

But, Mr. President, as I was saying a moment ago, the Farm Board announced, through Mr. McKelvie and others, that the prime object of the legislation which we had passed was to get the farmers of the country to reduce their acreage. It seemed to me that that was flying in the face of the Congress of the United States. It seemed to me that it was one of the most idiotic statements that I have ever heard, coming from a man who was supposed to have any idea about the wheat situation in this country. Just let us examine the facts.

Suppose, Mr. President, that the farmers of Montana got the idea that the farmers of North Dakota, or the farmers of Texas, or some other place, were going to reduce their acreage of wheat. They would immediately say, "Well, this is a good time for us to plant more wheat," and vice versa. If the farmers of Texas got the idea that they were going to reduce the acreage of wheat in Kansas or Montana, the farmers of Texas would immediately plant more wheat. Further than that, if all of the farmers of the United States of America should get together—which it would be impossible for them to do—and say, "We are going to reduce our acreage of wheat," immediately in Canada, in the Argentine, in Russia, and in every foreign country, the farmers would say, "Why, over in the United States the great wheat-producing areas are going to reduce their acreage of wheat, and consequently there will be less wheat in the world; and as a result of that we will raise more wheat, because we will get a better price for it."

Mr. President, if the farmers of Russia understood that the farmers of the United States were going to reduce their acreage of wheat, of course, they would increase their wheat, because they would say there is going to be not so much wheat upon the world market.

Again, I want to point out what it would mean to the people of the world if all of the farmers of the world all reduced their acreage. It would mean that in times when there was a drought in Russia or a drought in this country or a drought in Canada, and there was a shortage of wheat by reason of this drought, a tremendous lot of the people of the United States and of the world at large would have to go hungry, because the facts and figures have demonstrated that over a period of 10 years there is not any surplus of wheat.

Mr. President, I noticed an inspired article from the Washington bureau of the Kansas City Times of February 5, 1930, in which it is said:

In the event a stabilization corporation is deemed necessary, its functions will be merely to protect the cooperatives from loss in the present period of price decline. The private dealers and the speculators are not expected to receive direct benefit from any stabilization activities undertaken by the proposed organization that may be formed by the central marketing association.

An advisory committee, which is necessary before a stabilization corporation is formed, was set up last week for wheat. None has been provided for cotton. It is probable that if stabilization activities are undertaken for cotton it will not be until the end of the present crop-marketing period, and then only in the event the cotton cooperatives should find difficulty in marketing the cotton on hand at that time.

Mr. President, that brings forth this observation:

When we had the members of the Farm Board before the Agricultural Committee, and we asked them why it was that they had not organized stabilization corporations, why it was that they had not appointed advisory committees, they all came back and said that they had not had time to do anything of that kind; that it was too soon and they could not organize them; and I think one of them stated also that they did not know what was going to happen to them, whether or not they were going to be confirmed, and they attempted to shift the blame for their nonactivity with respect to stabilization corporations and their nonactivity with reference to the appointment of these farm councils onto the Agricultural Committee of the Senate of the United States.

But now they have been in power and in operation for some time like six months, and nothing has been done with reference

to stabilization corporations; now they are saying with reference to cotton, "We are not going to set up a stabilization corporation," until when? Until the cooperatives have shown that they have fallen down; and then they will come in and say, "It is too late; we can not do anything of the kind this season," and the cotton growers will have to wait another year, and perhaps all be out of business before anything of the kind is done.

Mr. President, instead of their issuing a bulletin showing their activities I would like to have seen them issue a bulletin showing what real benefits have accrued to the real wheat farmers of the country by reason of the fact that we have enacted that legislation or by reason of the fact that we created the Farm Board and the Senate approved the appointments to that board.

Judging from the past actions and the results of the past six months of the activities of the Farm Board I am compelled to come to the conclusion that the farmers of this country are not going to get any relief from the farm legislation passed by the Congress of the United States.

There is only one way left, it seems to me, to help the farmers of the country—and we were called into special session for the purpose of helping the farmers of the country—and that is to reduce the price of the things he has to purchase, reduce the tariffs on the goods manufactured by monopolies and trusts. We can do that, and that will help the farmer. What are we doing? We are passing a bill here, and when there is a demand for a reduction of the rates of the law of 1922 upon manufactured articles on the ground that it would help the farmers of the country, the response is that that must not be done, because, perchance, it might hurt some manufacturing interest, the test not being the possibility of helping the great masses of the farmers and the great bulk of the people, but it being urged that perchance some little of the profits of these great concerns which have made millions upon millions at the expense of the American farmer during the last few years might be taken away.

Mr. President, the Senate of the United States and the Congress of the United States have on innumerable occasions had opportunity to show their sincerity to the farmers of the country. The Republican Party has had innumerable opportunities to show whether they were honest and sincere in trying to help the farmers of the country by reducing the rates on manufactured articles. When we were considering the hat schedule, when the rayon schedule, when the paint schedule, or any other schedule, by our action on the rates on which we were going to make it possible for the farmer to get cheaper clothing, to get cheaper machinery, to get cheaper paint, to be able to get the necessities of life at a lower cost, the old guard of the Republican Party has stood firm and refused and refused and refused to lower one single, solitary rate where the farmer was going to be benefited.

When you had an opportunity to reduce the tariff upon rayon, which every farmer's wife in the country and which every working man's wife in the country uses, and by the rate on which the working men were going to be directly benefited, what did you do? You voted with the great trusts of the country. When you had an opportunity on paint, you voted with the great paint interests of the country. When you had an opportunity on hats, you voted with the hat industry of the country. When you had an opportunity upon every other article that has been presented to the Congress of the United States, you men who pretend to be the great friends of the American farmer, who want to do something for his prosperity, are simply helping to drive the farmers—and when I speak of the farmers, I speak of the great bulk of farmers, namely, the wheat farmers, the corn farmers, and the cotton farmers of this country—out of business, in the interest of a few rich manufacturers of the United States of America.

Mr. SMOOT. Mr. President, I ask unanimous consent that at the conclusion of to-day's business the Senate take a recess until 11 o'clock a. m. on Monday next.

The PRESIDING OFFICER (Mr. KEAN in the chair). Without objection, it is so ordered.

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD another appeal to the Members of the United States Senate to consider the needs of American agriculture in revision of the tariff. This appeal comes from the American Farm Bureau Federation; the National Farmers' Union, and their constituent units, and other agricultural and livestock organizations, urging the Senate to rectify, before it is too late, certain injustices to agriculture which are contained in a number of items in the pending legislation. I am very much in sympathy with this appeal.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., February 9, 1930.

To the Members of the United States Senate:

When the second session of the seventy-first Congress convened there was a universal expectation that the Senate would finish the task of adjusting the tariff rates so that agricultural and industrial products would be on a basis of economic equality. In the performances of this task the discussions on the floor of the Senate prior to the Christmas holidays were encouraging to farmers, and the rates agreed to on a number of roll calls indicated an intention on the part of the Senate to carry out the purpose as to tariff for which the special session of this Congress was called. That purpose was most definitely stated by President Hoover, when in his acceptance speech as the candidate of the Republican Party for President, he said:

"An adequate tariff is the foundation of farm relief. Our consumers increase faster than our producers. The domestic market must be protected. Foreign products raised under lower standards of living are to-day competing in our home markets. I would use my office and influence to give the farmer the full benefit of our historic tariff policy."

In recent weeks, however, representatives of general farm organizations and cooperatives, who have been called here by the situation which has arisen, have noticed that the objective for which tariff adjustment has begun appears to have been forgotten. In our estimation this objective is the placing of American farmers, who must meet competition from low-cost, low-living standard producers abroad, in a position to enable them to supply the domestic market as completely as possible and to enjoy the benefits of so doing. This forgetfulness was illustrated by the defeat of the rates which were requested by a combined agriculture on sugar, blackstrap molasses, casein, hides, and the fats and oils.

The significance of the votes on these particular commodities becomes apparent when it is realized that their annual import value exceeds \$472,000,000. But the lack of consideration afforded agriculture is even greater than appears on the surface, for there are many items of an agricultural nature on which duties were given which will not respond to tariff influence. Such are the products which we produce considerably more of than is sufficient for our domestic requirements.

A distressed agriculture is calling for this protection. The need was never greater than at the opening of this year of 1930, when farmers of all major products face a gloomy outlook for the next few years. None can read the recent statement in the Agricultural Outlook, issued by the experts of the Department of Agriculture in conjunction with the Federal Farm Board and the agricultural colleges of the country, without realizing that all branches of agriculture are in a serious predicament, and that normal production of the various farm products this year will mean unprofitable price returns for all. In this communication it is needless to cite the details of the unsatisfactory market prospect, the farm-mortgage situation, the high-tax burdens, the increase of agricultural imports, and other obstacles to farm prosperity since facts similar to these occupy 95 pages in the Agricultural Outlook report.

The sad fact is that whereas in the past few years some major products have been relatively more profitable than certain other products, the trend into the production of these more profitable products has been so great as to swamp the markets and cause now a general condition of economic distress.

It is essential for agricultural welfare that there be a state of economic equilibrium with respect to all major agricultural commodities. The tariff act is important, either in maintaining or in disturbing such equilibrium. The present state of the Senate bill will prevent a restoration of a balanced agriculture. In the face of this impending disaster, the present policy of the Senate seems to be to allow cheaper foreign agricultural products to enter our markets and still further handicap our producers in this painful period of postwar readjustment.

On our part there will be no compromise in regard to our final position relative to the tariff bill. If insignificant measures of tariff relief are given and such important products as those mentioned above are allowed to come in duty free or at such rates of duty as are inadequate to protect our domestic producers, we shall consider such action by Congress a failure to carry out the popular will. For the present it would be better for agriculture to continue under the tariff act of 1922, which does not protect agricultural products, than to put up with a new bill, which could not be changed for probably a decade, in which either inconsequential or surplus agricultural commodities are given protection, while really important ones, such as those above mentioned, upon which tariff rates would be effective, are neglected.

Effective rates on agricultural commodities such as are advocated in this communication and have been presented in detail by the principal farm organizations will increase very materially the buying power of the largest single consuming group in our Nation—agriculture.

It is not too late for the Senate to rectify these injustices. In the Senate are many loyal and devoted friends of agriculture. We appeal

to them to renew their efforts. To those Senators who have not yet been able to see the wisdom of a tariff policy that will protect agriculture we urge further study and a spirit of concession.

Respectfully submitted.

Sam H. Thompson, president, and Chester H. Gray, Washington representative, the American Farm Bureau Federation and its constituent units: Alabama Farm Bureau Federation, Montgomery, Ala.; Arizona Farm Bureau Federation, Phoenix, Ariz.; Arkansas Farm Bureau Federation, Little Rock, Ark.; California Farm Bureau Federation, Berkeley, Calif.; Colorado State Farm Bureau Federation, Del Norte, Colo.; Connecticut Farm Bureau Federation, Andover, Conn.; Delaware Farm Bureau Federation, Dover, Del.; Idaho Farm Bureau Federation, McCall, Idaho; Illinois Agricultural Association, Chicago, Ill.; Indiana Farm Bureau Federation, Indianapolis, Ind.; Iowa Farm Bureau Federation, Des Moines, Iowa; Kansas State Farm Bureau, Manhattan, Kans.; Kentucky Farm Bureau Federation, St. Matthews, Ky.; Louisiana Farm Bureau Federation, Baton Rouge, La.; Maryland Farm Bureau Federation, Baltimore, Md.; Massachusetts Farm Bureau Federation, Waltham, Mass.; Michigan State Farm Bureau, Lansing, Mich.; Minnesota Farm Bureau Federation, St. Paul, Minn.; Mississippi Farm Bureau Federation, Jackson, Miss.; Missouri Farm Bureau Federation, Jefferson City, Mo.; Montana Farm Bureau Federation, Bozeman, Mont.; Nebraska Farm Bureau Federation, Lincoln, Nebr.; Nevada Farm Bureau Federation, Verdi, Nev.; New Hampshire Farm Bureau Federation, Concord, N. H.; New Jersey Federation of County Boards of Agriculture, Trenton, N. J.; New Mexico Farm Bureau Federation, Las Cruces, N. Mex.; New York State Farm Bureau Federation, Ithaca, N. Y.; North Dakota Farm Bureau Federation, Fargo, N. Dak.; Ohio Farm Bureau Federation, Columbus, Ohio; Oklahoma Farm Bureau Federation, Tulsa, Okla.; Oregon Farm Bureau Federation, Molalla, Oreg.; Pennsylvania Farm Bureau Federation, West Chester, Pa.; Rhode Island Farm Bureau Federation, Davisville, R. I.; South Dakota Farm Bureau Federation, Huron, S. Dak.; Tennessee Farm Bureau Federation, Columbia, Tenn.; Texas Farm Bureau Federation, Dallas, Tex.; Utah Farm Bureau Federation, Salt Lake City, Utah; Vermont State Farm Bureau, Charlotte, Vt.; Virginia Farm Bureau Federation, Roanoke, Va.; Washington State Farm Bureau, Colfax, Wash.; West Virginia Farm Bureau Federation, Clarksburg, W. Va.; Wisconsin Farm Bureau Federation, Madison, Wis.; Wyoming Farm Bureau Federation, Morland, Wyo.

C. E. Huff, president the Farmers Educational and Cooperative Union of America and its constituent units: Arkansas Farmers' Union, Little Rock, Ark.; Colorado Farmers' Union, Denver, Colo.; Georgia Farmers' Union, Atlanta, Ga.; Kansas Farmers' Union, Salina, Kans.; Illinois Farmers' Union, Marissa, Ill.; Iowa Farmers' Union, Des Moines, Iowa; Missouri Farmers' Union, Carrollton, Mo.; Montana Farmers' Union, Columbus, Mont.; Nebraska Farmers' Union, Omaha, Nebr.; North Dakota Farmers' Union, Jamestown, N. Dak.; Oklahoma Farmers' Union, Oklahoma City, Okla.; Oregon Farmers' Union, Monmouth, Oreg.; South Dakota Farmers' Union, Yankton, S. Dak.; Washington-Idaho Farmers' Union, Spokane, Wash.

George W. Slocum, chairman; W. S. Moscrip, John Brandt, F. A. Cornica, Harry Hartke, and Charles W. Holman, the tariff committee of the National Cooperative Milk Producers' Federation and its constituent units: Berrien County Milk Producers' Association, Benton Harbor, Mich.; California Milk Producers' Association, Los Angeles, Calif.; Cedar Rapids Cooperative Dairy Co., Cedar Rapids, Iowa; Challenge Cream and Butter Association, Los Angeles, Calif.; Champaign County Milk Producers, Champaign, Ill.; Chicago Equity-Union Exchange, Chicago, Ill.; Connecticut Milk Producers' Association, Hartford, Conn.; Cooperative Pure Milk Association of Cincinnati, Cincinnati, Ohio; Coos Bay Mutual Creamery Co., Marshfield, Oreg.; Dairymen's Cooperative Sales Co., Pittsburgh, Pa.; Dairymen's League Cooperative Association (Inc.), New York, N. Y.; Des Moines Cooperative Dairy Marketing Association, Des Moines, Iowa; Dubuque Cooperative Dairy Marketing Association (Inc.), Dubuque, Iowa; Farmers' Milk Producers' Association, Richmond, Va.; Grays Harbor Dairymen's Association, Satsop, Wash.; Illinois Milk Producers' Association, Peoria, Ill.; Indiana Dairy Marketing Association, Muncie, Ind.; Inland Empire Dairy Producers' Association, Spokane, Wash.; Inter-State Milk Producers Association (Inc.), Philadelphia, Pa.; Iowa Cooperative Creamery Secretaries and Managers' Association, Waterloo, Iowa; Land O'Lakes Creameries (Inc.), 2201

Kennedy Street NE., Minneapolis, Minn.; Lewis-Pacific Dairy-men's Association, Chehalis, Wash.; Lower Columbia Cooperative Dairy Association, Astoria, Oreg.; McLean County Milk Producers' Association, Bloomington, Ill.; Maryland and Virginia Milk Producers' Association, Washington, D. C.; Maryland State Dairymen's Association, Baltimore, Md.; Miami Valley Cooperative Milk Producers' Association, Dayton, Ohio; Michigan Milk Producers' Association, Detroit, Mich.; Milk Producers' Association of San Diego County, San Diego, Calif.; Milk Producers' Association of Summit County and vicinity, Akron, Ohio; Milwaukee Cooperative Milk Producers, Milwaukee, Wis.; National Cheese Producers' Federation, Plymouth, Wis.; New England Milk Producers' Association, Boston, Mass.; Northwestern (Ohio) Cooperative Sales Co., Wauseon, Ohio; Ohio Farmers' Cooperative Milk Association, Cleveland, Ohio; Pure Milk Association, Chicago, Ill.; Scioto Valley Cooperative Milk Producers' Association, Columbus, Ohio; Seattle Milk Shippers' Association, Seattle, Wash.; Skagit County Dairymen's Association, Burlington, Wash.; Snohomish County Dairymen's Association, Everett, Wash.; Stark County Milk Producers' Association, Canton, Ohio; Tillamook County Creamery Association, Tillamook, Oreg.; Tulsa Milk Producers' Cooperative Association, Tulsa, Okla.; Twin City Milk Producers' Association, St. Paul, Minn.; Twin Ports Cooperative Dairy Association, Superior, Wis.; Valley of Virginia Cooperative Milk Producers' Association, Harrisonburg, Va.; Whatcom County Dairymen's Association, Bellingham, Wash.; Yakima Dairymen's Association, Yakima, Wash.

Dr. B. W. Kilgore, chairman of the board of trustees, the American Cotton Growers Exchange and its constituent units: Alabama Farm Bureau Cotton Association, Montgomery, Ala.; Arizona Pima Cotton Growers Association, Phoenix, Ariz.; Arkansas Cotton Growers Cooperative Association, Little Rock, Ark.; Georgia Cotton Growers Cooperative Association, Atlanta, Ga.; Louisiana Farm Bureau Cotton Growers Cooperative Association, Shreveport, La.; Missouri Cotton Growers Cooperative Association, New Madrid, Mo.; North Carolina Cotton Growers Association, Raleigh, N. C.; Oklahoma Cotton Growers Association, Oklahoma City, Okla.; South Carolina Cotton Growers Association, Columbia, S. C.; Tennessee Cotton Growers Association, Memphis, Tenn.; Texas Farm Bureau Cotton Association, Dallas, Tex.; Southwestern Irrigated Cotton Growers Association, El Paso, Tex.

C. A. Stewart, executive secretary, the National Livestock Producers Association and its constituent units: Producers Live Stock Commission Association, East St. Louis, Ill.; Producers Commission Association, Indianapolis, Ind.; Chicago Producers Commission Association, Chicago, Ill.; Peoria Producers Commission Association, Peoria, Ill.; Producers Cooperative Commission Association, East Buffalo, N. Y.; Producers Commission Association, Kansas City, Mo.; Producers Cooperative Commission Association, Cleveland, Ohio; Evansville Producers Commission Association, Evansville, Ind.; Producers Cooperative Commission Association, Pittsburgh, Pa.; Producers Commission Association, Sioux City, Iowa; Producers Cooperative Commission Association, Cincinnati, Ohio; Michigan Live Stock Exchange, Detroit, Mich.

C. B. Crandall, president, and J. S. Montgomery, general manager, the Central (Livestock) Cooperative Association of South St. Paul, Minn.

F. E. Mollin, secretary American National Livestock Association of Denver, Colo.

THE COTTON MARKET AND THE FARM BOARD

Mr. SMITH. Mr. President, I have refrained from having anything to say at length in reference to the condition of agriculture under the Farm Board, but it has reached such a stage that widespread disaster throughout my section of the country has resulted. I am rather of the opinion that the uncertainty, the lack of a definite plan, of a definite statement, of definite action on the part of the board is largely responsible for the disaster that has befallen particularly the cotton interests of my section of the United States.

It will be recalled that in October the Farm Board issued a statement that the price of cotton was too low, and therefore that they were justified in fixing 16 cents per pound as a basis of loans on grade middling cotton with a staple of seven-eighths inch.

Cotton was then selling at 18 cents a pound, or \$10 a bale, on the average, above the amount they agreed to lend.

At the time that statement was issued, from a long experience in cotton production I doubted the wisdom of it, because it

stood to reason that if the board thought 18 cents a pound was too little and cotton was too cheap to offer to lend only 16 cents a pound, it in nowise menaced those who up to that time were responsible for the 18-cent level.

I presume they were proceeding on the theory that, rather than sell at 18 cents a pound the average man would take the 16 cents as a loan and wait to see what would be the result of this experiment.

Those who had had experience in the cooperative organizations previous to that time were not inclined to try that experiment, for the reason that the cooperatives up to the time of the passage of that law and the appointment of the board had not had sufficient cotton in their possession and under their control to influence the market.

The result of their efforts had been that an individual would get a loan on his cotton through the cooperatives, pay insurance and storage, and freight to the concentrating points, and then, perhaps after six or seven months of holding, take a lower market price than could have been received on the day it was put in, and have subtracted from the lower price insurance, storage, and freight. They had become so discouraged that they were chary, they were skeptical, about risking any more cotton under those circumstances.

I am not going to attempt to go into the details of all the influences at work, but the result has been that from that date until now cotton has steadily declined in price, until it has reached the absurd figure of 15.66 on the exchanges, more than \$20 a bale from the level at which the board said it was too cheap.

Of course, my colleagues here, except those from the South, will not understand; but this will go into the Record, and a great many will see the joker—not intended by the board, but forced, perhaps, by the circumstances of the case.

It will be understood that middling seven-eighths is a middle grade of cotton and the most universal length of staple. They agree to lend 16 cents a pound on middling seven-eighths but did not say how much they would lend on strict low, on low middling, on strict good ordinary, and good ordinary, which are the grades below middling, or how much premium they would put on the grade above.

What was the result? A certain percentage of the cotton a man might have on hand might be middling seven-eighths. He might have out of a hundred bales 75 bales of that grade and 25 of the grade below.

The cooperatives, through whom the loan was to be obtained, had no power to lend anything on the grades below except according to their judgment. They would lend 16 cents on the basis of middling seven-eighths; then all the grades below were left at the mercy of the market.

What happened? The board said, "We are not going to change that basis, middling seven-eighths," and they did not and have not. But the cooperative organizations, which had to finance all the grades below and all the grades above, had to finance them according to the power they had in the market, which was nil, and therefore in place of having about a half a cent for strict low middling and three-fourths of a cent for low middling and a cent and a half or two cents for good ordinary, I am informed that they put strict low at about 8, low middling at about 6, good ordinary and strict good ordinary at from 4 to 5.

A man with a hundred bales of cotton, with the market selling around 16 cents, would get an average loan on his cotton of about 9 cents. The consequence was that he was not going to take it.

The board, being uncertain as to what it wanted to do, apparently, or what it could do, issued a statement. I do not charge Mr. Legge with making the deliberate statement, but he said they were not going to buy or deal in cotton at any cost. Of course, the board was not expected to go into the market, but that fact, coupled with expressions coming from Mr. Williams that we perhaps should buy so much of May or so much of March, demoralized the whole situation, and to-day cotton is \$20 a bale less than it was when they proposed to make the loan.

Members of the subcommittee went up to see the board. Mr. President, I stake all that I know about cotton on the assertion that had the Farm Board said, "We will advance 20 cents a pound basis middling to the cooperatives with the regular discount to the grades below and the premiums for the grades above that have been recognized in the trade for 60 to 70 years," and had said this throughout every State that has a cooperative, and every cotton State has one, the result would have been inevitable that cotton never would have gone below that price

for the simple reason that no man would have been foolish enough to have sold his cotton for 17 and 18 cents a pound when he could have obtained a loan at 20, with no expense attached, according to their statement, on the 16-cent loan except the freight to the concentrating point.

If every bale of cotton that was then on the market or that should come on the market had been sent to the cooperatives the \$100,000,000 which they said they had set aside for that purpose would have financed and retired 10,000,000 bales of cotton at 20 cents a pound. Every cotton man knows that that could be done. The Farm Board would only have had to put out 2 cents a pound as margin. The banks throughout the country would have carried the balance. Cotton finances itself to any reasonable extent. It was the most easily worked proposition that was ever put up to any body of men. They did not need a stabilization corporation. They did not need an advisory council. They simply needed one organization in each State with warehouse facilities, and the trick could have been turned in 48 hours. I challenge any man in the cotton world to dispute that fact.

We discussed this matter in the subcommittee. Members of the subcommittee, which is composed not alone of southern men, but men from the cotton-manufacturing States, from Connecticut, Delaware, and West Virginia, were agreed that the plan was simple and feasible and could have been put into operation in 48 hours. We went into the market and made the proposition to the board, and I for one believed that they were going to put it into operation. It would not have jeopardized a dollar. It would have stabilized instantly the cotton market on the level which they by implication said was a reasonable price. They practically said 18 to 18½ cents was too low. With some experience in the cotton business I went over this matter with my colleagues from the other States, one of them a manufacturer of cotton. Everyone of them indorsed it promptly. But it was not done, and such a disaster as has befallen the cotton market has not been paralleled since the days of Dan Sully as is now characterizing the condition in the cotton market.

I was very much disappointed when I saw in the press that the representative of the cotton interests on the board was down in Mississippi advising the farmers that their only hope of salvation was a drastic reduction in acreage and an improvement in the quality of the seed they plant. I do not know whether the newspaper report was correct or not, but he was quoted as saying that that was their only hope of getting rid of the unfortunate and disastrous situation, when from statements before the committee and in the public press and from bulletins of the department every man that knows anything about the situation at all knows that for the last four or five years we have been running something like 750,000 to 1,000,000 bales behind in production as compared to the world consumption of American cotton. Our average production has been a little less than 14,000,000 bales of cotton over the last 10 years and our average consumption has approximated 15,000,000 bales. There has been no surplus. There is no surplus. Never was there a finer opportunity presented to a body of men if they had any knowledge of the business to demonstrate the power of a well-organized, well-equipped, and well-financed body to prove to the producers of a great commodity its real, intrinsic value. It never was done, but why, I do not know.

I have heard from some quarters that it is claimed that the reason why they did not proceed to put the price up or attempt to enhance the value was because it might encourage an increase in acreage and that there was very little cotton left in the hands of the producer. Mr. President, I am not advised, as I have been in former years, as to the approximate amount held by first hand, but I dare say there are between 3,000,000 and 5,000,000 bales held by the producers at this hour, either directly or by holding an equity, and thereby hangs the disastrous tale in this tragedy. A farmer puts his cotton either into the hands of a factor, a commission merchant, or a cooperative organization, draws a certain amount, and waits and hopes that the price may advance. If he is not able to put up further margin in the bank each time as the market declines, the bank has only two recourses: It must sell the cotton or demand of the farmer additional margin to protect the amount the bank loaned him.

All over the South in every cotton State the banks are crumbling like snow in a tropical storm. Why? Because the price dropped so precipitously and disastrously as not only to wipe out the margin but to leave the banks with paper they could not collect. No such disaster has visited the cotton region, as I said a moment ago, since the days of Sully, when cotton dropped from 16 cents to 6 cents a pound. It has dropped since last June, in a little over six months, from 21

cents a pound to 15 cents a pound, a difference of \$30 a bale, and still not a hand is raised and not a word is said except the raising of a hand and the saying of a word to add to the disaster.

The question was asked me in the presence of others if it would not be a pretty good thing to go on the exchange and buy a million bales of cotton, a million bales of futures, and when under the power of the board they could have put every exchange in the world at the mercy of the board in 48 hours. We could have sold the futures short or bought them long on tissue paper enough to fill the Congressional Library, and outside of the mere gambling among those having the paper, the cotton itself would have been protected and those who got it would have paid the price.

I do not know what these men on the board know about cotton. From my experience with them I think some of them are beginning to have a vague idea that it is a commercial article. Beyond that I do not know whether they know anything about it or not.

Mr. President, I do not want to cripple what may some time be an agency of aid to the farmers. I do not want to do that, but they are crucifying themselves; they are destroying all possibility of ever being an aid. I have a letter from one of the leading men of my State, perhaps one of the most brilliant cotton men that was ever in the trade, in which he said that he knows and I know that this farm marketing organization, set up by the Government, in the very beginning of its operations, having let this disaster occur, stands more helpless than a mere child, and that the only result will be to disgust the American public, disgust the farmer, discredit the whole business, and make it practically impossible for them to recoup or recover the confidence of the people. The Senator from Montana [Mr. WHEELER] has stood here and told the same story in reference to wheat. With the two great major crops not only in jeopardy but with privation confronting those who produce them and those who tried to help finance them, causing demoralization and disaster over both the West and the South, why do they not act and act positively?

I am not going to say a word about the proposal to reduce acreage. It is a will-o'-the-wisp. The farmers themselves are the ones to determine that question. When they shall have been organized and the price has come to be fixed, which must be the policy of the board and the organizations under it, and it is found that the crop is too large, the price will be lowered in accordance with the law of supply and demand. However, when there is no surplus, why should the present condition be penalized in order to anticipate a condition that may or may not occur next year?

Talk about price fixing! It is the board's duty to fix and to aid the farmer in maintaining, under the law of supply and demand, a price that will show a reasonable profit. I have heard Senators say, and I have heard others say, that the board ought never and we ought never to attempt to form an organization that could fix prices. The absurdity of such a proposition needs no argument from me.

If the producer of an article and the manufacturer of an article have not the power to fix a price that will absorb the overhead and leave a working basis for the next year's production, they should quit; and in the manufacturing world the manufacturer is forced to quit. The only reason why agriculture has gone on is because nature furnishes gratis a factory which will produce to some extent, regardless of other considerations.

We have got to fix a price and let the price govern the acreage and not try to anticipate the price by the acreage. The latter is false economy; it is a false principle; and every time we have tried to apply it in real life it has worked out in disaster.

I have heard the old suggestion about acreage reduction ever since I heard anything about cotton, and I think I heard about cotton amongst the first things I ever heard. Should we reduce acreage because we have a surplus? There is no surplus, and if we are wise in bringing about organization and there is more produced than will bring a certain price, the price will fall and that will control the situation.

Mr. President, with me it is a case of suspended judgment, but my faith in the board is growing weaker every day. What is to be accomplished, I do not know; but they at least could have held cotton at the price it was the day they made the statement as to 16 cents a pound, basis middling seven-eighths. Why they did not do it I do not know. The wisdom of what the subcommittee advised them to do is yet undetermined, but the unwisdom of what the board did is now manifest.

Cotton is breaking again to-day, I understand. Those who are regularly in the trade feel a hesitancy in touching a market that can be influenced by the word of any man on the board and that word not correlated to any fixed plan or fact—a mere surmise. In the meantime, \$30 a bale on cotton has been wiped out of existence, and the South is prostrate. Cotton was too cheap at 18½ cents per pound; it was not paying the cost of production; but to-day it is less than 15½ cents under the nose and in the face of the Federal Farm Board, which had an opportunity to secure control of the situation in a week. Any man who knew enough about cotton to know it from wool, any man who knew enough about the market to know the difference between the marketing of cotton and the raising of peanuts could have taken advantage of such an opportunity.

The action of Congress in what seems to be an attempt to aid agriculture—I never did think Congress had any heart in it or, anyway, not much—has resulted in disaster unspeakable.

We spent a few weeks in discussing and passing a bill that was a mere experiment, and we have been here since we passed that bill trying to add to the burdens of the people, piling up the price of what they have got to buy while the market that furnishes the wherewithal with which they buy is dropping more rapidly than the cost which is being added is increasing. The currency the farmer has—wheat and cotton—is dropping to half its value, while the things he has got to buy are being discussed here with great zeal and energy, as though the fate of America depended on whether or not we should put a 30 or a 40 per cent additional tax on shoes and boots and clothing and paints. The Senate has been busily engaged not only in discussing such a possibility but in proceeding toward the enactment of a law imposing additional burdens on the consumers.

The Congress of the United States is alone responsible for the condition in which the farmers of this country find themselves and for the unspeakable burden that is put on the backs of the consumers of America. We and we alone—I will not use the word "we"—but those who have voted for tariff rates on the necessities of life from the time the first tariff bill was passed until to-day are responsible for the inevitable result of a policy which spells the absolute ruin of the salaried man, the ordinary wage earners, and the producers of the raw material.

Mr. President, I do not know that it is necessary for me to take up any more of the time of the Senate. I do not believe there was ever a darker hour in the history of America for agriculture and agricultural interests than the present time.

I should like to have any Senator rise in his place and point out where there is a possibility of hope for agriculture. There is ruin and bankruptcy everywhere. In one State alone in the last year there was a failure of more than 200 banks in the rural communities. In view of what has been accomplished under this farm marketing act, in view of the disasters that are happening all around and not one word or one effort put forth in behalf of the farmer, what is there for him to hope for on the positive side?

On the negative side, you are not content with what put the farmer in this fix—the act of 1922—but you are vying with each other in adding to that, in the face of this unspeakable disaster that has happened to agriculture, not in the last 12 months, but it has been the slow growth of a cancer that now has touched his vitals and made it impossible for him to carry on. He has consumed all his natural resources; he has consumed what little mineral rights he has, what forests he has; and now he has consumed his mortgages, and the land banks throughout the country and the insurance companies are selling him out, and great syndicates are buying the little homestead of the farmer for a game preserve for the millionaire. I saw that sight. It is being enacted in my State now, and no heed is paid to it. Throughout the West comes the cry that they can not carry on; yet, without regard to this cancerous condition eating up his hope and eating up his substance, we are here adding to his burdens.

What is the cry here every time we have a rate up? "Let us reduce it to the 1922 rate." "Is that the present law?" "Yes." "All right." Yet the condition in which agriculture finds itself is the direct result of the act of Congress. We may cavil as we please, but Congress alone is responsible for the condition in which agriculture finds itself—a free market for what the farmer sells in competition with the world, while he is restricted

to the mercy of trusts and combinations created and fostered by the Congress of the United States, and the Congress alone. Need I argue that they could not exist a year without the act of Congress?

If you were to bring down your protection to where it offered or even invited real competition, you would relieve the condition of the man in the field; but you will protect these trusts and monopolies that have become trusts and monopolies by your law, and your law alone. You will still foster them, while the wail of agriculture became so insistent and clamorous that you had to call an extra session of the legislature to make a gesture at relief, and lull him for six months into a false hope; and here, before the beginning of the spring, he sees his prices shrunk far below what they ever were before you made your gesture!

I have sat here and marveled that in the midst of all this discussion of protection, and the tender care that we have for the manufacturers, not a word has been said as to this condition that exists—not a word.

Mr. President, it is useless. I know that it is the same, same thing. The Senator from Utah can walk here and smile—yes; he is in a position to smile. All those over there are in a position to smile. Some people can not. I am not standing here as a theorist, God knows. If the condition that actually exists can not appeal to Congress without anybody opening his mouth, surely a man from the despised and discredited South, in the opinion of some, need not raise his voice.

I am through.

CRITICISM OF CONDITIONS IN NEW YORK

Mr. HEFLIN. Mr. President, I will have to be away from the city for a few days. I spoke to the Vice President about deferring the appointment of the committee which was suggested yesterday to inquire into certain portions of a letter written by me which the Senator from New York [Mr. COPELAND] wishes stricken from the RECORD. I ask that the appointment of that committee be deferred until I return to the city.

The PRESIDING OFFICER (Mr. FESS in the chair). The present occupant of the chair understands that the Vice President, who has had that matter in hand, is going to defer action.

Mr. WATSON. Let me inquire, to what committee does the Senator refer?

Mr. HEFLIN. The special committee of three to be appointed to look into the matter we discussed yesterday. I do not want the committee appointed until I return to the city.

Mr. WATSON. When will the Senator return?

Mr. HEFLIN. In about four or five days.

Mr. WATSON. Very well.

Mr. HEFLIN. Mr. President, in the New York World to-day there appears an article headed "HEFLIN Visions Dangling Rope if COPELAND Ever Goes South." Under that headline the correspondent has written in the body of the story that I threatened to have Senator COPELAND lynched if he came south. I am satisfied that none but a degraded, cowardly, and perverted mind could ever have put such a construction on what I said. I do not know who he is, but he has written a falsehood, and he knew it was false when he wrote it. He said that I made motions of tying a rope around COPELAND's neck and hanging him up if he should go south. I made no such motions and no such statements; I never thought of such a thing.

I merely wanted to say that much so that the RECORD will show the character of campaign that is going to be made against me by Roman Catholic correspondents such as the one who wrote the article to which I have referred and which I denounce as false, villainous, and slanderous.

PROFITS OF LUMBER COMPANIES

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD a tabulation showing a comparison of profits to sales of 3 northern pine manufacturing companies, 67 southern manufacturers of lumber, and 114 western lumber manufacturers, and a recapitulation covering all of them. This tabulation is compiled from the income-tax returns submitted to the Senate, and the identity of each company is referred to only by the number of the page of the report on which the returns are found.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Southern lumber manufacturers

Company (identified at page—	1928		1927		1926		1925		1924		1923		1922		Total gross sales	Total gain or loss	Per cent profit or loss
	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss			
48.....	\$944,885	-\$18,035	\$961,046	-\$171,328	\$358,234	-\$206,104	\$572,558	-\$57,228	\$967,664	\$225,833	\$970,641	\$77,545	\$814,648	\$59,800	\$5,589,676	-\$89,517	1.6
76.....	3,657,763	321,906	3,089,278	131,429	3,359,650	151,323	3,385,440	250,920	3,025,008	213,264	3,027,000	386,035	2,294,063	322,566	22,038,202	1,777,443	8.1
394.....	1,595,009	433,425	1,617,788	437,429	1,816,567	589,004	1,696,010	507,115	1,765,277	532,457	1,999,002	844,481	1,463,868	499,581	11,953,521	3,843,522	32.2
501.....	128,118	2,971	299,570	-98,818	351,446	-80,272	450,418	-9,664	518,538	5,746	512,022	66,047	469,088	18,883	2,729,200	-95,136	3.5
526.....	584,012	32,831	489,897	-46,980	637,942	90,483	582,190	137,263	526,841	91,801	708,329	147,043	727,837	106,247	4,257,548	652,533	15.4
570.....	307,523	-7,434	280,261	-40,638	261,291	-14,238	570,742	21,050	531,732	15,900	596,510	61,628	510,573	47,404	3,058,632	83,732	2.8
622.....	2,823,133	712,824	2,298,895	519,993	2,642,879	310,911	3,291,796	776,329	2,736,285	14,195	3,492,654	1,067,983	2,278,294	624,316	19,563,936	4,026,551	20.6
625.....	2,022,211	-118,365	1,636,394	-20,114	1,787,942	116,406	1,678,336	235,067	1,180,072	133,070	926,855	314,575	894,753	179,637	10,135,563	840,276	8.3
657.....	343,405	1,944	338,131	-42,333	339,953	373	413,708	25,327	516,152	43,758	687,937	93,687	409,249	101,259	2,947,595	224,015	7.6
777.....	2,883,015	271,487	3,101,294	186,416	3,219,066	601,630	3,320,518	478,190	3,671,756	394,221	4,297,319	985,101	2,791,587	402,188	23,284,555	3,319,233	14.3
932.....	1,843,956	219,044	2,200,247	176,861	3,108,732	699,530	3,230,811	798,469	2,944,890	370,650	3,745,039	865,539	2,827,789	348,679	19,901,484	3,379,172	17.0
957.....	1,117,962	-298,238	1,014,670	90,432	2,020,624	597,517	2,732,414	668,809	2,059,404	483,939	2,433,681	697,756	1,765,931	310,904	13,144,686	2,550,090	19.4
990.....	1,344,771	-8,800	1,420,389	136,493	1,448,044	205,502	1,610,288	389,785	1,037,655	234,268	1,139,152	394,053	1,508,856	563,392	9,418,155	1,914,993	20.3
1003.....	501,497	126,811	1,284,697	356,392	1,318,396	530,845	1,417,417	598,517	1,232,115	500,566	1,022,360	371,307	861,488	270,323	7,637,960	2,724,764	35.7
1040.....	1,214,118	239,384	1,049,185	186,681	1,148,857	285,758	1,277,863	204,547	1,106,319	168,587	1,822,753	377,290	1,445,460	310,176	15,099,089	1,678,111	11.1
1058.....	1,910,593	81,012	2,270,438	257,028	2,667,293	104,853	2,786,915	364,831	2,195,637	182,921	2,561,177	439,484	1,971,115	428,012	19,576,793	5,356,912	27.4
1110.....	2,903,641	1,431,858	2,814,563	467,171	3,140,211	861,601	3,337,595	278,279	2,848,491	589,831	1,642,265	524,210	794,870	268,130	12,294,655	2,130,760	17.3
1125.....	1,099,696	298,380	1,964,611	48,285	2,063,582	278,279	2,042,878	377,980	1,786,753	425,496	1,642,055	201,861	2,706,498	98,887	21,000,498	467,685	2.2
1128.....	3,028,055	123,501	2,948,936	-33,383	3,152,134	-40,956	3,422,883	104,970	2,903,263	2,805	1,072,491	279,556	1,175,767	243,652	7,701,847	1,350,788	17.5
1142.....	1,107,052	74,139	1,077,172	55,805	1,074,920	118,306	1,125,833	277,320	1,068,612	302,510	1,072,491	279,556	1,175,767	243,652	7,701,847	1,350,788	17.5
1152.....	638,979	70,839	554,144	33,487	604,248	79,327	643,016	74,219	653,730	82,265	600,686	114,563	430,162	49,501	4,125,565	504,201	12.2
1211.....	725,780	10,569	727,746	49,646	806,072	26,311	633,830	10,960	639,621	19,041	679,115	-73,944	460,538	19,080	4,672,702	61,663	1.3
1221.....	2,630,717	775,414	2,328,711	807,255	2,529,801	948,889	2,474,374	908,485	2,444,103	799,436	2,488,089	1,491,847	2,028,694	848,967	16,924,489	6,580,323	38.9
1232.....	849,767	173,216	572,013	53,759	671,662	193,912	729,585	236,352	478,250	175,191	497,939	156,225	525,308	193,031	4,324,525	1,181,686	27.3
1243.....	1,222,194	345,671	1,009,395	147,205	1,190,045	267,309	1,374,719	384,342	1,458,089	442,842	1,684,916	574,061	1,318,421	316,065	9,257,779	2,477,495	26.8
1259.....	1,723,332	-216,428	2,332,679	-58,455	2,651,416	96,123	2,586,668	110,592	2,272,713	167,096	2,592,557	388,643	2,180,999	260,321	16,340,364	747,792	4.6
1288.....	1,455,532	143,212	2,321,960	-964,492	3,515,021	37,479	3,527,024	162,021	3,410,964	58,785	3,072,153	582,112	2,912,923	390,484	19,505,578	4,191,601	2.2
1295.....	1,368,359	142,481	1,149,255	127,845	742,564	85,281	745,394	122,810	758,744	130,789	1,106,698	430,814	889,631	255,456	6,820,645	1,295,476	19.0
1301.....	1,277,763	30,812	1,188,507	30,782	1,238,596	12,842	1,270,770	3,483	1,190,442	26,802	1,118,353	96,662	846,600	24,043	8,151,031	225,426	2.8
1312.....	5,716,544	952,093	4,976,431	563,897	5,875,108	2,494,577	5,554,021	957,476	5,444,203	906,719	5,808,921	1,348,098	4,771,531	1,025,912	38,046,759	8,248,772	21.7
1333.....	196,143	-18,561	176,443	2,668	203,721	17,375	274,405	-40,302	243,133	-35,263	273,729	8,652	302,793	-10,247	1,730,367	-75,678	4.4
1336.....	973,786	309,776	999,441	330,826	1,128,960	457,324	883,899	327,715	710,195	238,556	995,938	434,339	698,404	271,205	6,396,623	2,369,741	37.0
1343.....	4,853,734	32,041	4,407,908	8,638	4,833,162	153,002	4,256,682	63,024	4,584,934	370,983	4,462,583	464,332	2,574,494	430,881	28,973,497	1,522,901	5.5
1381.....	1,628,274	156,051	1,541,126	191,070	1,440,256	226,072	1,296,144	162,655	1,175,111	192,920	1,257,610	322,688	984,545	101,233	9,293,096	1,852,689	14.6
1384.....	340,331	-15,278	323,874	-61,139	361,755	-70,357	450,140	-10,297	417,817	53,880	478,720	43,521	399,444	126,920	2,772,081	67,230	2.4
1395.....	546,878	31,865	485,825	-55,079	288,141	-37,507	377,915	-95,197	733,204	100,395	832,124	213,055	592,781	133,034	3,856,868	290,536	7.5
1491.....	706,273	34,441	769,833	45,701	859,690	125,635	869,447	84,481	1,266,380	263,038	1,740,815	491,269	1,733,908	288,084	8,036,346	1,332,649	16.6
1509.....	1,266,039	264,458	1,231,988	174,039	1,208,722	194,919	1,206,845	235,397	1,222,791	129,230	1,405,898	415,320	1,239,896	251,470	8,782,179	1,684,833	19.0
1519.....	1,454,176	336,287	1,221,027	395,974	1,372,745	505,203	1,355,870	595,115	1,241,840	380,209	1,301,554	462,026	1,013,767	417,117	8,960,980	3,092,021	34.5
1591.....	3,580,682	-67,397	2,110,788	-154,162	1,928,818	-88,018	1,942,620	-111,366	2,044,232	-297,474	1,684,183	-288,124	1,023,294	-117,613	14,314,617	-1,155,054	8.1
1598.....	1,567,660	444,261	1,495,719	532,048	1,698,317	574,117	1,866,853	604,767	1,686,235	578,741	1,989,666	656,540	2,132,124	552,183	12,436,574	3,942,657	31.7
1620.....	581,184	45,233	513,498	-6,221	532,295	43,891	604,489	115,562	584,960	156,747	559,507	171,739	559,507	171,739	3,375,933	526,951	15.6
1637.....	2,206,539	187,296	1,538,251	12,885	2,186,397	265,562	3,139,081	496,293	2,718,871	436,710	2,729,145	528,088	1,956,376	355,164	16,474,660	2,280,998	13.8
1650.....	1,495,213	485,618	1,525,825	551,579	1,071,885	381,506	1,252,418	405,329	1,055,819	126,007	1,190,645	458,062	959,285	259,615	8,551,090	2,667,716	31.2
1657.....	927,696	-63,901	996,520	-26,369	966,575	22,738	928,011	64,605	1,063,236	52,534	1,155,638	249,662					

TOTALS FOR 67 COMPANIES

	1928	1927	1926	1925	1924	1923	1922	7 years
Sales.....	\$112,161,613	\$108,333,302	\$118,298,184	\$123,228,434	\$116,726,783	\$123,232,981	\$97,609,697	\$799,590,994
Profits.....	15,762,333	12,612,065	20,866,841	23,270,467	18,118,832	29,656,432	19,972,929	140,259,919
Per cent profit to sales.....	14.05	11.65	17.64	20.5	15.5	24	20.45	17.55

Western lumber manufacturers

Company identified at page—	1928		1927		1926		1925		1924		1923		1922		Total gross sales	Total gain or loss	Per cent profit or loss
	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss			
55.....	\$30,489	—\$3,339	\$35,688	—\$8,511	\$26,426	—\$14,831	\$109,043	—\$11,680	\$83,842	—\$10,132	\$74,895	\$270	\$93,348	\$414	\$454,331	—\$47,809	—10.5
103.....	2,772,159	331,745	2,629,005	283,161	283,161	283,161	4,721,763	643,044	4,648,654	753,454	5,472,828	1,118,940	3,759,185	751,750	24,003,594	3,882,094	16.17
312.....	1,051,804	—54,608	1,065,987	—122,022	1,338,350	—34,360	1,556,148	75,290	1,144,193	—92,112	1,254,941	—61,931	2,562,329	46,502	9,973,752	—243,241	2.44
357.....	10,244,270	45,984	9,115,453	—259,725	10,368,509	13,126	11,247,657	—28,147	10,250,530	—71,192	9,868,747	856,371	8,726,221	—335,764	69,821,387	230,653	.02
378.....	3,951,050	209,724	2,374,600	53,165	3,150,823	—181,534	1,975,798	—35,492	2,033,886	—86,050	2,707,057	226,262	1,309,165	78,780	17,502,379	264,855	1.51
457.....	103,728	6,766	55,661	—3,434	110,715	—1,819	236,040	953	240,725	28	11,060	47	757,929	2,541	2,541	.34	
487.....	1,164,285	34,595	873,293	19,181	1,074,241	34,631	796,243	4,078	400,248	—5,679	861,241	115,567	453,858	74,965	5,623,409	277,338	4.9
505.....	1,533,971	—49,593	1,013,821	84,597	1,725,098	33,601	1,715,534	44,400	1,549,821	64,240	1,761,135	213,697	1,745,214	197,174	11,644,594	588,026	5.04
516.....	2,117,973	165,281	2,322,645	154,088	1,606,259	40,684	1,080,591	37,198	1,008,517	55,299	1,443,853	241,592	1,323,061	151,283	10,902,899	845,405	7.74
523.....	1,020,529	236,450	955,666	252,330	861,997	178,102	952,592	225,141	758,998	192,759	1,666,419	352,931	1,305,730	268,791	7,521,931	1,706,534	22.7
530.....	442,406	29,213	448,486	65,140	388,761	68,688	457,243	78,519	424,384	100,558	362,246	72,822	263,984	22,710	2,787,510	427,650	15.4
533.....	8,902,696	501,558	7,224,947	584,157	6,011,589	259,684	5,966,289	—210,131	6,968,760	—88,134	8,609,635	730,707	6,036,772	267,336	49,720,688	2,135,177	4.3
537.....	6,378,914	159,909	6,127,914	102,950	6,265,172	—3,136	6,937,070	139,302	6,135,164	—65,813	7,556,789	834,786	6,424,353	588,072	40,025,876	1,756,070	3.9
540.....	1,812,661	—102,969	1,570,917	—265,116	1,610,324	—191,062	1,735,006	69,629	1,840,832	43,220	2,139,754	215,668	1,674,072	325,778	12,383,568	95,128	.77
544.....	1,066,661	56,615	1,044,537	30,460	1,054,547	—14,220	981,519	4,982	872,162	—43,920	1,018,836	79,886	882,912	39,987	6,950,174	153,700	2.21
558.....	426,419	10,052	331,901	15,150	316,182	4,330	279,352	—18,787	273,207	—8,226	365,015	20,420	245,422	—6,657	2,237,498	22,282	.996
574.....	2,044,855	15,258	188,294	5,775	183,013	14,370	113,234	3,777	89,773	—9,342	112,150	5,809	108,437	9,461	999,756	45,108	4.01
581.....	1,992,762	15,234	2,218,236	—35,005	2,285,995	46,616	2,118,109	146,427	2,117,467	42,101	2,460,480	354,536	1,707,941	—20,727	15,006,990	549,631	3.83
584.....	2,007,885	202,767	1,842,091	191,107	2,040,639	187,009	2,117,191	249,069	1,858,075	225,535	1,946,948	385,583	1,665,515	320,358	13,478,344	1,762,022	13.07
601.....	1,383,304	—1,054	1,317,211	—22,864	1,459,450	4,916	1,555,160	31,041	1,308,528	—37,914	1,081,772	138,546	1,081,772	128,608	9,059,958	241,059	2.67
605.....	3,576,690	822,036	2,945,617	752,027	3,070,566	755,728	2,727,024	537,620	1,897,668	255,071	1,813,966	298,795	1,126,682	175,678	17,157,583	3,591,943	20.9
608.....	1,231,250	17,280	1,019,236	—122,686	1,305,320	39,968	1,080,456	36,573	1,195,149	—26,639	1,190,406	66,653	786,626	—66,596	7,778,543	—54,447	.7
635.....	1,132,847	27,463	1,052,343	46,040	1,553,630	64,104	1,621,164	94,104	1,156,835	85,534	1,245,817	287,225	943,094	111,043	8,706,030	715,819	8.2
664.....	1,993,343	131,488	1,513,408	78,202	1,590,699	46,623	1,183,701	57,705	616,282	71	1,123,090	99,673	930,010	47,012	8,950,663	461,321	5.12
667.....	1,196,065	117,192	930,122	21,361	1,261,847	129,269	1,050,086	159,026	442,191	43,669	519,321	299,674	930,010	47,012	8,950,663	461,321	5.12
675.....	3,092,926	315,155	2,341,105	21,361	2,545,167	258,476	2,413,383	375,810	1,582,771	250,233	1,575,953	290,273	930,010	47,012	8,950,663	461,321	5.12
687.....	2,302,652	—18,242	1,076,395	14,284	1,568,872	—33,471	1,441,335	—42,058	969,352	—135,107	927,041	—17,600	805,440	80,529	5,779,745	1,781,257	12.3
739.....	5,916,217	144,233	5,981,345	300,454	6,006,750	446,002	5,893,195	438,670	5,557,486	460,782	5,688,632	1,131,179	4,162,886	608,819	39,106,531	3,398,789	9.0
763.....	1,536,414	18,806	1,597,764	—48,432	1,460,402	79,565	1,440,533	70,787	1,436,404	119,973	1,557,776	157,158	1,507,163	210,123	10,634,456	633,980	6.0
781.....	5,186,799	1,366,906	4,573,823	1,038,717	4,996,546	890,405	5,260,154	1,024,336	4,406,856	989,258	4,924,886	2,246,122	3,306,762	1,641,470	32,745,826	9,196,284	28.1
791.....	1,743,556	101,783	1,537,802	—281,334	1,853,071	—107,598	1,707,135	—732,391	1,832,391	—82,435	1,602,548	155,672	2,000,084	465,028	12,266,587	218,114	1.78
795.....	3,708,693	250,222	4,028,599	—57,745	4,745,100	162,174	4,528,615	99,217	4,793,584	—10,038	4,050,385	502,556	3,449,774	542,156	29,304,750	1,482,572	5.1
814.....	1,236,707	119,965	993,204	38,966	1,040,345	61,568	968,226	37,376	749,245	21,863	1,342,230	300,872	1,68,310	34,363	6,498,267	614,078	9.5
820.....	2,541,376	142,719	2,420,904	70,907	2,377,305	90,712	2,217,180	150,154	2,580,454	142,106	3,616,814	593,462	2,440,651	484,950	18,203,744	1,675,010	9.2
836.....	235,235	10,934	120,456	—23,803	247,393	—2,653	171,208	—61	53,504	—4,567	36,406	8,927	864,202	—11,213	—	—	—1.3
842.....	2,039,289	585,778	2,019,634	343,062	1,815,092	311,836	1,542,768	227,153	1,130,562	233,249	1,135,556	245,850	542,236	78,079	10,225,137	1,875,097	18.3
849.....	4,084,425	212,251	4,648,884	127,424	4,040,346	33,832	4,040,601	186,045	4,187,361	569,445	7,425,061	—141,334	7,624,760	1,158,279	36,010,438	2,195,942	5.8
857.....	1,162,057	198,875	818,908	82,002	916,712	164,242	732,719	94,569	821,652	95,242	948,866	247,545	777,650	122,793	6,178,594	1,005,268	16.3
860.....	3,143,194	49,444	2,903,399	421,717	2,993,241	704,031	3,139,352	830,078	2,640,913	436,546	2,873,779	832,750	2,702,746	636,564	20,396,624	3,920,130	19.2
883.....	1,405,407	212,233	1,076,274	35,246	1,166,351	137,128	903,797	118,443	600,391	72,957	462,446	98,274	(1)	(1)	5,620,306	674,231	12.0
893.....	3,142,591	724,953	3,373,640	932,562	3,083,964	749,825	3,019,302	663,580	2,816,495	668,364	2,768,620	929,569	2,209,927	533,378	20,414,539	5,502,250	27.0
907.....	317,510	—3,387	346,282	7,475	443,313	47,379	466,747	77,498	382,920	54,191	473,763	63,718	387,542	71,806	2,818,066	318,480	11.3
911.....	5,503,008	41,776	6,517,936	—296,272	7,496,294	—172,340	7,129,014	—26,139	7,111,946	312,604	7,912,474	1,166,701	5,540,344	639,316	47,211,016	1,665,646	3.1
918.....	619,142	94,879	467,227	—7,723	525,066	34,073	324,931	28,940	358,833	55,037	790,798	222,999	984,214	246,308	4,070,231	674,483	16.6
925.....	1,045,018	46,722	932,465	30,010	866,719	—18,950	868,356	1,974	857,580	61,234	221,778	33,726	4,791,916	97,264	2,764,231	97,264	2.3
964.....	809,899	159,686	649,053	—15,409	638,888	4,935	675,979	68,120	528,390	24,334	532,379	51,641	369,725	—15,140	4,204,311	278,167	6.6
969.....	152,891	21,663	785,081	35,370	638,412	—3,043	518,605	17,259	528,084	20,357	290,654	103,397	397,580	17,898	3,256,887	212,401	6.5
973.....	1,698,054	50,060	1,476,860	1,472	1,601,169	—52,714	1,000,855	—13,985	1,661,652	84,925	1,539,672	182,444	1,277,125	174,884	10,255,387	427,064	4.2
980.....	1,105,924	—39,070															

Western lumber manufacturers—Continued

Company identified at page—	1928		1927		1926		1925		1924		1923		1922		Total gross sales	Total gain or loss	Per cent profit or loss	
	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss				
1634.....	\$1,077,076	\$45,807	\$614,849	\$43	\$1,013,853	\$7,123	\$693,472	\$2,862	\$577,142	\$22,402	\$601,682	\$26,898	\$96,371	\$3,977	\$4,674,445	\$109,026	2.3	
1650.....	1,495,213	485,618	1,525,825	551,579	1,071,885	381,506	1,252,418	405,329	1,055,819	126,007	1,190,645	458,062	959,285	259,615	8,551,090	2,067,716	31.1	
1678.....	2,266,919	-123,793	1,911,785	-198,496	2,487,955	75,124	2,420,008	-164,514	2,765,221	-342,880	2,678,200	200,493	1,970,477	67,900	16,500,565	-646,384	-3.9	
1710.....	1,899,362	-195,094	1,761,916	-67,221	2,092,551	877	2,173,961	28,317	2,361,462	-8,470	2,211,781	162,229	2,030,027	102,390	14,537,090	23,228	1.6	
1786.....	1,898,248	5,303	263,966	34,360	1,568,070	32,805	1,976,713	103,803	1,676,445	398	1,158,729	198,350	992,593	141,545	9,534,764	516,594	14.9	
1789.....	996,571	19,665	1,030,226	-8,049	701,379	-16,475	577,382	-137	118,884	7,346	269,158	21,481	211,624	17,919	3,905,224	41,750	1.07	
1813.....	16,633,809	4,395,548	10,459,906	3,270,020	12,702,432	5,190,757	13,890,427	3,376,410	10,898,856	604,114	12,969,587	5,627,895	8,815,745	2,932,277	86,370,762	25,367,021	29.4	
1817.....	179,103	-10,588	201,490	-2,945	254,816	-15,528	342,519	-7,918	254,074	-30,707	385,963	3,690	237,926	9,150	1,805,891	-54,846	-3.03	
1876.....	103,014	-127,891	467,894	-205,567	938,324	-119,288	932,203	-155,227	680,843	-104,547	60,406	-9,059			3,182,654	-721,589	-22.67	
1880.....	717,269	27,809	655,607	-30,451	823,040	-49,369	927,002	-7,252	1,102,582	5,329	1,007,179	8,351	1,046,953	23,849	6,280,232	-21,734	-3.5	
1889.....	612,379	-14,150	608,404	-18,888	677,663	15,946	612,851	4,114	472,520	-4,109	623,221	76,323	103,417	1,856	3,710,455	30,997	0.83	
1934.....	1,856,038	12,728	1,610,193	-33,268	1,797,168	-15,377	1,383,353	-41,979	1,490,055	-77,275	1,813,048	169,335	1,499,841	-145,161	11,450,296	-130,997	-1.14	
1958.....	1,279,172	-58,800	1,391,294	-62,524	1,677,733	-28,052	1,682,678	6,415	1,675,820	54,814	1,584,883	104,122	950,360	18,413	10,140,910	44,388	10.77	
2052.....	739,971	-3,647	684,001	-40,360	581,461	-32,774	620,445	-1,032	496,515	-28,496	943,378	48,306	611,583	80,970	4,657,354	32,067	0.69	
2065.....	800,718	16,945	821,354	3,242	721,732	-8,028	785,567	-15,136	724,915	-3,956	651,311	32,580	379,611	-57,802	4,885,208	-32,055	-0.66	
2131.....	914,109	73,745	987,185	-39,591	1,061,141	11,841	1,117,164	59,320	1,147,554	94,173	1,431,921	285,396	1,207,958	185,236	7,897,032	680,120	8.65	
2152.....	4,403,006	999,669	3,711,303	453,474	4,451,749	867,922	5,053,077	1,298,030	4,774,920	1,178,730	5,008,500	1,734,042	3,349,252	804,649	30,752,467	7,336,516	22.80	
2157.....	1,399,954	63,271	943,276	38,815	1,005,062	26,224	904,113	47,169	842,250	26,354	947,015	82,694	683,741	60,267	6,725,411	344,794	5.13	
2167.....	981,308	-18,434	1,322,810	-16,857	1,381,776	27,032	1,320,878	107,377	1,485,651	315,568	1,864,051	718,335	1,924,415	611,012	10,278,889	1,743,833	16.96	
2171.....	1,656,587	73,999	1,323,645	-2,756	737,825	10,504	785,446	30,708	680,247	55,141	725,720	141,172	571,695	13,513	6,451,165	322,281	4.97	
2206.....	693,527	63,993	521,019	-7,483	595,825	18,459	743,415	37,912	683,194	-4,347	755,208	119,739	644,308	115,948	4,526,496	343,821	7.60	
2217.....	1,365,573	79,253	1,110,734	81,727	937,661	15,014	707,213	60,136	81,031	-5,725					4,202,204	230,405	5.48	
2224.....	696,940	75,782	639,052	29,745	545,191	44,480	403,595	30,272	424,987	47,584	520,068	122,713	372,018	43,306	3,601,721	393,882	10.94	
2280.....	162,967	21,057	149,696	15,012	165,304	15,701	153,794	16,533	60,626	4,986	192,906	37,021	177,267	47,178	1,062,557	157,288	14.8	
2341.....	539,072	24,644	432,456	24,243	587,980	40,700	457,897	30,526	643,150	10,174	890,328	46,539	336,083	18,462	3,886,966	198,278	5.1	
2377.....	165,624	6,253	147,512	-642	172,378	6,916	175,120	13,576	186,638	14,173	216,792	19,881	145,675	3,781	1,209,799	63,638	5.3	
2394.....	216,417	14,975	171,413	21,930	154,046	18,010	78,352	7,265	31,281	4,563	92,450	13,668	39,183	7,675	783,151	88,067	12.0	
2426.....	3,342,183	-563,055	3,175,344	-187,103	2,872,817	-48,956	2,859,198	4,005	2,957,540	-358,853	3,228,942	488,418	2,317,042	229,166	20,753,071	-436,358	-4.8	
2506.....	160,534	15,889	134,523	6,548	126,164	12,132	82,807	12,170	72,558	9,190	72,399	7,696	24,080	1,785	672,815	53,386	7.9	
2548.....	1,456,535	-122,388	1,042,738	-140,779	1,265,750	-85,043	1,119,406	-37,520	346,955	-45,326	61,078	3,665,637	70,011	221,741	52,908	20,410,406	61,441	0.3
2551.....	2,852,098	193,458	2,786,745	-139,292	2,855,185	74,085	3,225,363	-250,807	4,902,057	61,078	3,665,637	70,011	221,741	52,908	20,410,406	61,441	0.3	
2628.....	191,645	2,607	150,150	27,334	109,694	10,934	95,962	12,496	75,581	9,676	67,937	17,961	12,049	-165	703,048	80,643	11.5	
2715.....	2,425,377	298,545	2,429,955	201,897	2,583,762	321,180	2,579,304	371,655	2,421,831	167,505	3,360,536	637,637	2,404,230	256,125	18,204,995	2,254,242	12.38	
2822.....	4,402,238	6,046	3,098,474	78,404	1,864,919	-27,544	2,079,443	-110,089	1,658,867	83,925	2,008,210	51,183	1,442,199	26,379	16,554,350	328,687	1.99	
2826.....	810,016	44,592	620,652	-10,484	529,633	-21,201	492,201	-2,064	494,453	-33,344	575,654	26,598	521,449	98,527	4,044,063	102,624	2.64	
2829.....	88,318	-11,045	89,719	-2,789	95,338	407	105,322	-8,348	129,692	-1,955	53,250	4,510			561,634	-19,200	-3.4	
2844.....	1,849,914	-532,950	1,802,853	-248,047	2,614,109	-46,682	3,018,394	-203,348	3,905,074	-70,216	1,620,347	103,366	1,551,384	334,002	16,362,075	-663,875	-4.04	
2860.....	977,969	61,163	870,092	33,737	947,475	72,068	930,201	57,118	623,150	10,698	998,167	207,015	48,945	130	5,695,999	441,959	7.76	
2867.....	924,551	-30,348	980,572	-3,674	981,216	59,006	664,850	-5,029	802,109	-9,206	1,046,909	137,594	893,356	118,317	6,293,563	266,600	4.24	
3034.....	907,928	139,613	699,231	77,917	790,797	115,798	762,069	133,935	573,542	74,078	549,473	138,720			4,283,038	680,061	15.9	
3085.....	1,241,923	33,410	1,283,160	40,886	1,453,676	248,975	1,077,199	33,617	924,498	78,080	1,497,672	100,331	1,255,357	233,918	8,733,485	759,217	8.7	
3089.....	614,246	-140,007	978,457	134,966	950,978	206,182	1,067,750	151,427	995,485	176,362	1,503,942	519,479	1,103,882	353,268	7,214,749	1,401,677	19.42	
3107.....	925,244	55,004	1,014,601	27,589	999,793	73,969	869,125	24,046	831,586	57,696	1,054,637	241,288	1,254,581	237,850	6,949,567	718,342	10.33	
8134.....	2,193,078	-223,434	2,100,168	-148,052	1,776,659	-62,324	2,145,831	231,407	2,283,608	3,369	3,106,074	160,167	1,907,644	44,112	15,513,062	-26,755	-1.7	
8145.....	1,176,555	16,462	1,005,831	7,023	1,116,188	-31,136	1,190,414	84,801	1,156,381	55,883	1,000,228	20,386	745,979	6,133	7,400,576	109,572	1.48	
8148.....	5,800,016	-34,251	4,318,377	-1,056,347	5,212,275	-310,028	5,402,414	-943,804	5,280,641	-886,518	7,203,534	289,140	5,199,427	194,217	38,196,684	-2,747,591	-7.17	
8152.....	2,432,222	2,286	2,368,704	-4,410	2,407,918	16,588	2,547,028	-96,061	2,992,149	-14,209	2,664,004	-1,458	1,638,119	-79,530	17,050,744	-176,884	-1.04	
8225.....	544,082	37,529	493,442	-4,603	483,172	44,642	526,588	54,875	498,794	17,225	589,580	125,251	365,307	73,233	3,500,965	348,162	9.96	
8295.....	1,402,751	120,009	1,566,116	85,415	1,844,018	95,910	1,201,894	57,635	1,477,751	217,711	1,720,062	163,391	1,434,663	176,613	10,147,255	916,584	9.02	
8305.....	1,202,930	17,250	806,460	20,618	1,117,945	7,622	925,508	31,061	715,038	-97,392	1,121,315	23,433	774,066	7,903	6,723,262	10,495	1.56	
8309.....	1,481,661	-22,745	1,472,755	-80,798	1,395,367	-63,833	1,381,473	-47,735	1,571,173	30,597	1,845,028	238,547	1,539,916	66,678	10,687,373	120,711	1.13	

TOTALS FOR 114 COMPANIES

	1928	1927	1926	1925	1924	1923	1922	7 years
Sales.....	\$220,450,670	\$196,100,007	\$205,165,244	\$210,379,431	\$198,523,197	\$221,442,310	\$164,576,599	\$1,416,637,458
Profits.....	13,288,874	7,093,453	12,244,772	12,786,978	7,571,459	34,907,119	20,436,445	108,329,100
Per cent profit to sales.....	6.03	3.62	5.96	6.08	3.82	15.8	12.4	7.65

* Not in business.

Northern pine manufacturers

Company identified at page—	1928		1927		1926		1925		1924		1923		1922		Total gross sales	Total gain or loss	Per cent profit or loss
	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss			
1188.....	\$2,115,733	\$415,566	\$1,380,781	-\$805,360	\$2,040,672	\$209,313	\$1,927,921	\$291,743	\$1,936,106	\$194,381	\$2,016,472	\$490,917	\$1,810,537	\$387,944	\$13,228,222	\$1,190,504	9.0
1573.....	3,201,227	437,433	2,961,854	97,261	4,091,910	176,448	3,275,438	388,694	4,706,882	-86,174	5,307,221	795,615	2,866,298	559,046	26,410,800	2,368,323	9.0
2041.....	1,982,437	259,300	1,853,158	123,798	2,280,913	190,555	2,270,380	285,092	2,006,344	102,676	1,951,179	1,531,515	2,147,076	190,774	14,461,487	2,683,710	18.56

TOTALS FOR 3 COMPANIES

	1928	1927	1926	1925	1924	1923	1922	7 years
Sales.....	\$7,269,397	\$6,195,793	\$8,413,495	\$7,473,739	\$8,649,332	\$9,274,872	\$6,823,881	\$54,100,509
Profits.....	1,112,299	-584,301	576,316	965,529	210,883	2,824,047	1,137,764	6,242,537
Per cent profit to sales.....	15.3	-9.4	6.85	12.9	2.44	30.5	16.65	11.55

Recapitulation

	1928		1927		1926		1925		1924		1923		1922		Total gross sales	Total gain or loss	Per cent profit or loss
	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss	Gross sales	Profit or loss			
Total for 67 southern companies.....	\$112,161,613	\$15,762,333	\$108,333,302	\$12,612,065	\$118,298,184	\$20,866,841	\$123,228,434	\$23,270,467	\$116,726,783	\$18,118,852	\$123,232,981	\$29,656,432	\$97,609,697	\$19,609,697	\$799,590,994	\$140,259,919	17.55
Total for 114 western companies.....	220,450,670	13,288,874	196,100,007	7,093,453	205,165,244	12,244,772	210,379,431	12,786,978	198,523,197	7,571,459	221,442,310	34,907,119	164,576,599	20,436,445	1,416,637,458	108,329,100	7.65
Total for 3 northern companies.....	7,269,397	1,112,299	6,195,793	-584,301	8,413,495	576,316	7,473,739	965,529	8,649,332	210,883	9,274,872	2,824,047	6,823,881	1,137,764	54,100,509	6,242,537	11.55

TOTALS FOR 184 COMPANIES

	1928	1927	1926	1925	1924	1923	1922	7 years
Sales.....	\$339,881,680	\$310,629,102	\$331,876,923	\$341,081,604	\$323,899,312	\$353,950,163	\$269,010,177	\$2,270,328,961
Profits.....	30,163,506	19,121,217	33,687,929	37,022,974	25,901,194	67,387,598	41,183,906	254,831,556
Per cent profit to sales.....	8.9	6.2	10.1	10.8	8.0	19.05	15.3	11.22

A number of companies were omitted from the tabulations because they were primarily, or at least in very large part, interested in other activities than the manufacturing of lumber. The following list shows pages on which returns not tabulated appear and the reason for not tabulating. In addition to this list, manufacturers, whose principal product is shingles or cedar lumber, have been omitted.

Page	Page	Page
152. Wholesale lumber dealer with no manufacturing activities.	1803. Incomplete. Commenced operating in 1925. Shows losses, probably due in part to high stumpage prices.	2455. Activities of this company are in Alaska.
189. Is a hardwood manufacturer and not interested in softwood lumber.	1809. Individual interested in various lumber and timber holding concerns. The return indicates huge profits derived by individuals engaged in lumber manufacturing.	2489. This is a holding company for manufacturing, wholesaling, and retailing units. Large profits are indicated.
612. Hardwood manufacturer and wholesaler.	1918. Is engaged in coal mining business, wholesaling and retailing of lumber as well as manufacturer. Shows profits and losses.	2537. Wholesaling and manufacturing. A very profitable operation.
632. This company was organized to cut a certain tract of timber. This timber is now cut and the company is inactive. Returns are incomplete.	1925. Incomplete. Was inactive in 1924-25. (Profitable in 1928.)	2541. Interested in hardwood only.
671. Shows only 2 years' operations—1927-28. A new company.	1931. Incomplete returns. Was timber holding company. Not operating until 1927. Large losses in 1927 and 1928 are no doubt due to expenses of opening plant. The income of three individuals who are among the principal stockholders of this company are found on pages 1809, 2227, and 2720.	2668. Income is included in return of parent company which appears on page 1312. Makes immense profits.
686. Shows only 1 year's operations—1926. A new company.	1938. Incomplete. Organized in 1926. Profits in 1927-28.	2690. Interested in hardwood only.
728. Returns are incomplete except for 1927-28. This company is interested in wholesaling and retailing, and makes a very satisfactory profit.	1950. Dissolved in 1928.	2701. Interested only in hardwood lumber and flooring.
743. Has been inactive for several years.	2014. Hardwood manufacturer. Not interested in softwoods. A profitable company.	2711. Interested in hardwood lumber and flooring.
825. Inactive. Was merged in 1927 with another company with which it had previously been closely affiliated. Not profitable according to its returns.	2112. Incomplete. Commenced operations in 1927. Profitable.	2720. Personal income of stockholder in various lumber companies. Large income indicates large profits derived from lumber manufacturing.
881. Was merged in 1925 with the company whose return appears on page 1343. It was a very profitable operation when independent.	2120. Interested in selling lumber, stock raising, farming, and abstracting as well as manufacturing. Very profitable.	2784. Incomplete. Organized in 1924. Not very profitable.
936. It has a large wholesale and retail lumber business in addition to its manufacturing.	2220. Is engaged in general mortgage business, oil producing, wholesale and retail lumber business, and real estate. Large profits.	2812. Income return combined with that of railroad from which it can not be segregated.
1043. Inactive. Holding company for various subsidiaries.	2227. Individual return of stockholder of various lumber companies. Return indicates large income of individuals engaged in lumber manufacturing.	2855. Dissolved in 1926. Showed small losses in operations.
1063. Manufacturer of hardwood lumbers and veneers, also retail business.	2284. Incomplete. Was merged in 1927 with another company. Good profit in 1926.	2899. Retail lumber business as well as manufacturing. Some large profits and small losses are shown in return.
1107. Major part of business is ranching operations, oil and gas wells. Shows good profits on returns.	2334. Hardwood lumber, wholesaling and retailing.	2902. Large wholesale and retail business, in connection with its manufacturing. Shows very large profits.
1146. Ceased operations in 1925. Was a wholesaler as well as manufacturer.	2353. Inactive in 1928. Losses other years.	2962. Retail business only. Incomplete.
1262. Incomplete. Organized in 1927. Shows profit in 1928.	2405. Principally wholesaler and retailer. Large profits.	2984. Incomplete. Organized 1923. Profitable.
1403. Personal income of a stockholder in logging and lumber companies.	2416. Hardwood manufacturer; not interested in softwoods.	3020. Manufacturing and retailing of hardwood lumber and flooring.
1488. Dissolved in 1927. Was in power and light business. Very profitable when operating.	2444. Activities of this company are in Alaska.	3056. Hardwood manufacturer.
1564. Not operating; in process of liquidation. Was profitable when operating.		3105. Incomplete. Organized in 1924. Profitable.
1724. Incomplete. Organized in 1924. Shows profits in 1927-28.		3130. Hardwood lumber and cooperage.
1800. Hardwood lumber manufacturer. Profitable.		3183. Incomplete. Organized in 1925. Profitable.
		3211. Hardwood manufacturer.
		3269. Subsidiary of the company which appears on page 1343, in the return of which it is included.
		3330. Incomplete. No returns for 1922-1924. Shows profit 2 years and losses 2 years.

FORT DONELSON (TENN.) NATIONAL MILITARY PARK

Mr. BROCK. From the Committee on Military Affairs I report back favorably without amendment the bill (H. R. 2824) to amend section 5 of the act entitled "An act to establish a national military park at the battle field of Fort Donelson, Tenn.," approved March 26, 1928, and I submit a report (No. 162) thereon.

The passage of the bill is desired by the War Department; it has been approved by the Committee on Military Affairs, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. SMOOT. I should like to ask the Senator if the bill has been unanimously reported by the committee?

Mr. BROCK. The bill merely provides for a change in the wording of the original act, and the change has been requested by the War Department. The original act was passed in 1928.

Mr. SMOOT. The Senator did not understand me. I asked if any member of the committee was opposed to the bill?

Mr. BROCK. I have not heard of any member of the committee being opposed to it. The acting chairman of the committee signed the report and asked me to get nine others to sign it so that the bill might be reported. I was also requested to ask for its present consideration. As I have said, the passage of the bill is desired by the War Department.

Mr. SMOOT. I have no objection if the report was unanimous.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That section 5 of the act entitled "An act to establish a national military park at the battle field of Fort Donelson, Tenn.," approved March 26, 1928, be, and the same is hereby, amended so that the said section will read as follows:

"That, upon receipt of the report of said commission, the Secretary of War be, and he is hereby, authorized and directed to acquire, by purchase, when purchasable at prices deemed by him reasonable, otherwise by condemnation, such tract or tracts of lands as are recommended by the commission as necessary and desirable for a national military park; to establish and substantially mark the boundaries of the said park; to definitely mark all lines of battle and locations of troops within the boundaries of the park and erect substantial historical tablets at such points within the park and in the vicinity of the park and its approaches as are recommended by the commission, together with such other points as the Secretary of War may deem appropriate; to construct the necessary roads and walks, plant trees and shrubs, restore and care for the grounds, including the restoration and maintenance of those portions of old Fort Donelson, and of the Confederate water batteries that are located on the present engineer reservation: *Provided*, That the entire cost of acquiring said land, including cost of condemnation proceedings, if any, ascertainment of title, surveys, and compensation for the land, the cost of marking the battle field, the expenses of the commission, and the establishment of the national military park shall not exceed the sum of \$50,000."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

TENNESSEE RIVER BRIDGES

Mr. BROCK. Mr. President, I ask unanimous consent that the Committee on Commerce be discharged from the further consideration of the bill (H. R. 7373) to revive and reenact the act entitled "An act granting permission to the State Highway Commission of the State of Tennessee to construct a bridge across the Tennessee River at Savannah, Hardin County, Tenn., on the Savannah-Selmer Road." A similar Senate bill has been considered by the Committee on Commerce, reported from that committee, and is now on the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Committee on Commerce is discharged from the further consideration of the bill.

The Senator from Tennessee asks unanimous consent for the immediate consideration of the bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the act of Congress approved May 7, 1926, granting the consent of Congress to the State Highway Commission of the State of Tennessee and its successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the Tennessee River at a point suitable to the interests of navigation, on the Savannah-Selmer Road, in Hardin County, State of Tennessee, be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null

and void unless the actual construction of the bridge herein referred to be commenced within one year and completed within three years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. BROCK. I move that Order of Business No. 116, being the bill (S. 1743) to extend the times for commencing and completing the construction of a bridge across the Tennessee River at Savannah, Hardin County, Tenn., on the Savannah-Selmer Road, be indefinitely postponed.

The motion was agreed to.

Mr. BROCK. Mr. President, I ask unanimous consent that the Committee on Commerce be discharged from the further consideration of House bill 7372, and that the Senate proceed to its consideration, there being on the calendar a similar Senate bill reported from that committee.

The PRESIDING OFFICER. Is there objection to the discharge of the committee? The Chair hears none.

The Senator from Tennessee asks unanimous consent for the present consideration of the bill referred to by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 7372) to revive and reenact the act entitled "An act granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden Road between Humphreys and Benton Counties, Tenn.," which was read, as follows:

Be it enacted, etc., That the act of Congress approved May 7, 1926, granting the consent of Congress to the Highway Department of the State of Tennessee and its successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the Tennessee River at a point suitable to the interests of navigation, on the Waverly-Camden Road in Humphreys and Benton Counties, in the State of Tennessee, be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within one year and completed within three years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1744, being Order of Business No. 117, will be indefinitely postponed.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate executive messages from the President of the United States, which were referred to the appropriate committees.

RECESS

Mr. SMOOT. Mr. President, in conformity with the unanimous-consent agreement already entered into, I move that the Senate take a recess at this time until 11 o'clock on Monday.

The motion was agreed to; and (at 2 o'clock and 35 minutes p. m.) the Senate, in conformity with the order previously made, took a recess until Monday, February 10, 1930, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 8 (legislative day of January 6), 1930

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Herman Bernstein, of New York, to be envoy extraordinary and minister plenipotentiary of the United States of America to Albania.

UNITED STATES ATTORNEY

Sardies Mason Brewster, of Kansas, to be United States attorney, district of Kansas, to succeed Al. F. Williams, whose term expired January 13, 1930.

UNITED STATES MARSHALS

Walter C. Fettes, of Pennsylvania, to be United States marshal, eastern district of Pennsylvania, to succeed W. Frank Mathues, whose term expired December 14, 1929.

Donald H. MacIvor, of Kansas, to be United States marshal, district of Kansas, to succeed Fred R. Fitzpatrick, whose term expired December 21, 1929.

David T. Ham, of Washington, to be United States marshal, eastern district of Washington. (He is now serving in this office under an appointment which expired December 21, 1929.)

INTERSTATE COMMERCE COMMISSIONER

Hugh M. Tate, of Tennessee, to be an interstate commerce commissioner for a term expiring December 31, 1936.

ADDITIONAL COUNSEL OF THE PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Richmond B. Keech, of the District of Columbia, to be additional counsel of the Public Utilities Commission of the District of Columbia, to be known as the people's counsel, vice Fleharty, resigned.

HOUSE OF REPRESENTATIVES

SATURDAY, February 8, 1930

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We know that our Redeemer liveth; praise God. Come with us to-day with calm assurance. Thou art not only our Creator but our divine, earthly Father. Not until love lies dead and memory is dead and the door of the past is closed, not until hope has lost its outlook and aspiration is perishing in despair, and not until all that makes men noble lies in dust can the flame of infinite love be extinguished. Keep before us the high standards of gentleness, chastity, and forgiveness as they are revealed in Thy Holy Word. If we have affliction, may it mellow our hearts and open them toward humanity and make us more patient with the failings of other men. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. FRENCH. Mr. Speaker, I ask unanimous consent that I be granted about 15 minutes of time for a discussion of the American proposal at the London Naval Conference following the disposition of the pending unfinished business.

The SPEAKER. The gentleman from Idaho asks unanimous consent that after the disposition of the bill now pending he may be permitted to address the House for 15 minutes. Is there objection?

Mr. GARNER. Mr. Speaker, I do not want to object and I am not going to object, but may I suggest to the gentleman from Idaho the propriety of the Congress at this time discussing the work of our delegates at the London Naval Conference. I noticed a statement in the morning paper to the effect that in another body a man holding the same high position which the gentleman from Idaho holds in this body was criticizing the action and position of our delegates. I doubt the advisability of that.

We have sent some very leading men over there and they are laboring according to their best viewpoint, and for the Congress now to begin to heckle or criticize them does not seem to me to be in the interest of our Government.

Mr. FRENCH. Mr. Speaker, I am in accord with the gentleman who has just spoken, and it is with the thought of presenting a point of view that I think will be helpful that I have asked for a few minutes of time.

Mr. GARNER. I appreciate the gentleman's interest in the matter, but I always hesitate to make suggestions to representatives without being on the ground and knowing the situation. The suggestions which the gentleman will make in his speech may be helpful, but, again, they may not be helpful, and I still insist that the gentlemen who are in London representing this country are quite able to take care of the interests of this Republic.

Mr. FRENCH. May I say that I had not thought of making suggestions to our conferees, but, rather, interpreting a question which, I think, through some criticisms, to which the gentleman has referred, has been given a wrong slant in our country.

The SPEAKER. Is there objection?

There was no objection.

DISTRICT OF COLUMBIA COURT CONGESTION

Mr. SIMMONS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to address the House for 15 minutes. Is there objection?

Mr. O'CONNELL of New York. Mr. Speaker, reserving the right to object, we understood yesterday that nothing was to interfere with the progress of the pending bill, and, in effect, we had that assurance from the Republican leader.

Mr. TILSON. Mr. Speaker, as I understand, the matter concerning which the gentleman from Nebraska wishes to speak

could probably be brought up under personal privilege. I hope he will not bring it up in that way, however. Personally, I should prefer to have him bring it up under unanimous consent rather than as a matter of personal privilege, which would entitle him to the floor for an hour.

Mr. O'CONNELL of New York. If it has the sanction of the Republican leader, I am satisfied.

Mr. TILSON. It has, under the circumstances.

The SPEAKER. Is there objection?

There was no objection.

Mr. SIMMONS. Mr. Speaker, in connection with my work as chairman of the subcommittee of the Committee on Appropriations handling the District of Columbia bill it has been found advisable on a number of occasions to use the services of the Bureau of Efficiency in checking expenditures, in checking proposed expenditures, and, in general, securing information for the benefit of the committees and Congress. The service of the Bureau of Efficiency is well known to the Congress and this city. The recommendations it has made have resulted in saving to the District several hundred thousand dollars. So there need be no question about the work of the Bureau of Efficiency.

For a number of months complaint has been made in Washington that the courts of the city were not functioning effectively. The common way of relieving a situation of that kind is to suggest that we provide more judges and increase the pay roll. Some weeks ago the statement was made to me that jurors were complaining about wasting their time and being kept away from their business and their usual activities while the courts did nothing on jury cases. Also knowing that the jury work of the District of Columbia in the trial court, the Supreme Court of the District of Columbia, was behind some one or two years in civil cases and behind some two years in criminal cases. The District attorney's office announced some months ago that they would try only those cases where the defendants were in jail, while the cases of the men who were out on bond would be postponed indefinitely. I asked the Bureau of Efficiency to make a study of the courts. There was no attempt to supervise the judges in their judicial work. I made one simple request, and that was that I have a report as to the time the courts of the District of Columbia—the police, municipal, and the Supreme Court—were in session.

We are entitled to know that because we are carrying in the District bill annually large sums of money for witness and jurors' fees. We are confronted with a request for more judges, more salaries, and more employees. The Bureau of Efficiency made that study. Its report was submitted to me some three or four weeks ago, and on last Tuesday, I think it was, in the hearings on the District bill, when we reached the items for the courts and in particular the request for an appropriation to cover witness and jurors' fees, we called before us two of the judges of the Supreme Court, as well as judges of the municipal and police courts. At that time we had a frank discussion of the delays that were had, in particular in the Supreme Court. At that time I advised them of the report received from the Bureau of Efficiency on the hours during which they were holding court.

The reports show that over a period of a week, the six judges in the Supreme Court, which is the court of general jurisdiction here, sat on an average of less than 15 hours a week, or for a working day of five days a week, an average of less than three hours a day, usually holding no jury sessions on Fridays, and doing absolutely nothing on Saturdays.

This was done with a purpose to expedite the work of the court, speed up activities, and at the same time conserve the expenditure of public funds.

As Members of Congress know, the hearings before committees are not released to the public until after those who have testified have an opportunity to review and correct them. In the Committee on Appropriations they are not released to the public or the press until the bill is reported to the House. This is the rule our subcommittee and the other subcommittees have followed.

After we had had the hearings the stenographers submitted their transcript on Thursday morning. The transcript was sent to the Municipal Building. Some time before noon on Thursday the transcript of the hearings before our subcommittee was sent to the supreme court building in a sealed envelope and delivered to the United States marshal's office for correction by the marshal, who had testified, and for correction by the two judges who had appeared before us. The transcript was delivered early in the afternoon to the clerk of the Supreme Court of the District of Columbia, and about 5.30 that afternoon was locked up in one of the rooms of an assistant clerk of that court. I am unable to tell where the transcript was in the meantime.

On Friday morning the Washington Post carried verbatim copies of that transcript, showing that some one connected with that paper had had access to the transcript of some 50 pages of typewriting; had kept it long enough to read it and to make exact copies of several portions of it.

That was yesterday. This morning we have this editorial in the Post:

The House District subcommittee made its contribution to the current discussion of court congestion and the law's delay by recommending that justices of the District of Columbia Supreme Court arrange their schedules so that they would spend more time on the bench. The suggestion was made in connection with the request for additional judges.

This is not true, of course. We have no jurisdiction to consider that matter in our committee and did not attempt to exercise it. The investigation was made in connection with a request for witness and jurors' fees to serve in courts that operate less than three hours a day.

It seems that snoopers have sat in the District Supreme Court keeping time on the judges. The report by the snoopers covers a period of one week, and shows what time each of the justices appeared on the bench, the exact time the court was recessed for lunch, the hour and minute when the afternoon session began, and the time when the adjournment was taken for the day. The average per day of actual bench duty by a judge was three hours in this particular week. Who paid the wages of these snoopers?

Representative SIMMONS, chairman of the committee that holds the purse strings of the District, says: "If I can stop it, there will be no more judges until we get some evidence that the judges we have already are working harder down there than this record shows they are." He does not make clear whether he paid for the snoopers out of his own pocket or whether he has a slush fund with which to carry on secret investigations. Possibly he borrowed snoopers from the Prohibition Bureau.

If the snooper system is to be installed in Washington, its operations should be universal. Spies should be put on the trail of Representative SIMMONS and all other Members of Congress.

[Laughter.]

If there is any paper published anywhere in the bounds of the United States that has no right to lecture any citizen of this country, in or out of office, on ethics or conduct it is the Washington Post. [Applause.] Stick a long pole down into the cesspool of all the slime and mire that there is in the oil scandal, and the contemptible, unpatriotic conduct of the owner of the Washington Post still smells to high heaven. [Applause.] Then they attempt to lecture a Member of Congress upon his conduct in a matter of this kind.

Now, what are the facts? They say we had no right to have the Bureau of Efficiency, a Government institution serving the people of the District of Columbia without cost to them, investigate a matter of public expenditure. They say this is snooping, when they themselves stole the material that they printed. They say they are going to have me investigated. I welcome that. I have 350,000 people in my district, and I rather imagine they are keeping a pretty close tab on what I am doing. If the Washington Post cares to check my conduct, either in my personal or official capacity, if it would make a study of my conduct on the floor of the Congress, in the committee rooms, in my family and social life, I welcome it. I challenge it to publish a comparative statement of the conduct of any Member of this Congress—because they include all of you in this proposed investigation—either mine or any other Member, in parallel columns, the personal conduct of any Member of Congress with the personal conduct of the man who owns the Washington Post. Every Member knows that no such comparative statement will be made. If the Washington Post cares to have the comparative records printed, I welcome the comparison.

Now, it wants spies put on the trail of us. If they had had a spy on my trail, gentlemen, on Thursday night when the press of the Washington Post was running through unreleased and stolen matter—that spy would have found me at 1 o'clock in the morning in my home with the table covered with data, figures, and requests for funds in the District of Columbia appropriation bill. If investigating the expenditures of public funds and the conduct of an official in his official capacity and work is a crime or subject to adverse criticism in the District of Columbia, then, gentlemen, I am guilty.

We are trying in Washington to do what I believe all citizens want, and that is to secure a legitimate, honest expenditure of public funds, and secure maximum service for money expended. If the Washington Post objects to this, that is its right. If it can operate its business without supervision of employees, if it can run its business when its employees work not to exceed 15 hours a week for a full week's wage, then it is doing much better than the average business man. I am not so much con-

cerned about that part of it now as I am the comparison of the situation that exists regarding this particular incident.

The respectable newspaper men of Washington knew what transpired in the committee. They all refused to print a word of it until there had been a legitimate, orderly release of the story. I honor them for it. The only paper in Washington that violated that rule is the Washington Post. Now it attempts to lecture me and the subcommittee with which I am associated, and the Bureau of Efficiency, and Congress for unprofessional ethics. [Applause.]

INVITATION TO ATTEND THE CIVIC AND MILITARY PARADE IN ALEXANDRIA ON WASHINGTON'S BIRTHDAY

Mr. MOORE of Virginia. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MOORE of Virginia. Mr. Speaker, I have been requested to deliver an invitation to this body, which I will ask the Clerk to read.

The SPEAKER. Without objection, the Clerk will read.

The Clerk read as follows:

ALEXANDRIA, VA., February 6, 1930.

To the House of Representatives:

The city of Alexandria, Va., in keeping with the custom which has been observed from the year following the death of General Washington, will celebrate on Saturday, February 22, the anniversary of his birth by an impressive civic and military parade, which will be witnessed by the President of the United States and the Governor of the State of Virginia. The George Washington Birthday Association, which in connection with the authorities of the city is arranging for the celebration, wishes to extend to the Members and officers of the House of Representatives a most cordial invitation to be the guests of the city on that occasion of honoring the memory of the illustrious first President.

GEORGE WASHINGTON BIRTHDAY ASSOCIATION,

By M. E. GREENE, Secretary.

Mr. MOORE of Virginia. Mr. Speaker, it is hardly necessary for me to say that I identify myself most heartily with the invitation. As suggested in what has been read the practice of observing the anniversary of the birth of General Washington was instituted in Alexandria, on February 22, 1800, a little more than two months after his death on December 14, 1799, and has been maintained ever since.

A resolution was adopted yesterday providing for exercises in this House on the 22d of February. My understanding is that the proposed exercises will begin at 11 o'clock, and as the parade in Alexandria does not start until 2.30 in the afternoon ample opportunity will probably be afforded for gentlemen here to go to Alexandria who may desire to do so, and I very much hope that such may be the desire of many. I am informed that places on the reviewing stand will be provided for those who honor the city with their presence. [Applause.]

ADDRESS OF REPRESENTATIVE SELVIG, OF MINNESOTA

Mr. CLAGUE. Mr. Speaker, I ask unanimous consent to print in the RECORD an address delivered by my colleague the gentleman from Minnesota [Mr. SELVIG] at Chicago, February 7, relating to the agricultural situation.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The address was as follows:

RADIO ADDRESS ON AGRICULTURAL COMPETITION

My agricultural friends, northwestern Minnesota holds its annual Red River Valley agricultural shows and meetings next week at Crookston, which it will be my privilege to attend. Former Gov. Frank O. Lowden was a guest four years ago and delivered a great address there. James C. Stone, vice chairman of the Federal Farm Board, will speak there this year. He will be greeted by a large audience anxious to gain first-hand knowledge of the aims and purposes of the Farm Board.

As one who has had the opportunity for many years to work with farmers, it is a great privilege to speak for a few minutes to-day to the far-flung radio audience in this hook-up.

THE FEDERAL FARM MARKETING BOARD

The people of the United States will sanction a national farm policy which will grant to farmers economic equality. Recent experience has clearly demonstrated that economic insufficiency for agriculture spells disaster for the Nation.

Higher taxes, increased interest obligations, higher transportation costs, and higher nonagricultural commodity costs, which have come since the war, can only be met by increased farm income, or the farmer is bankrupt and his morale destroyed.

While I shall stress the legislative side of our agricultural problem, I am fully aware that no one within the sound of my voice believes that all of agriculture's difficulties can be remedied or wholly removed by legislation. No one is so shortsighted as to maintain that laws are a panacea for all ills, and that legislation will work miracles. There are other important factors that must play their part.

On the other hand, there is a definite field for Federal farm legislation. In the first place, small-scale competitive marketing of farm products must be replaced by large-scale collective merchandising wisely planned in the light of dependable economic information. Such a program, successfully carried on, will materially increase the total farm income.

The recent special session of Congress created the Federal Farm Board to assist the farmers in carrying out such a program.

The Federal Farm Board act clearly states the objectives that are being sought. To the critics of the plan let it be said that Congress commanded the Federal Farm Board to do exactly what it is doing. In the declaration of policy of this act, laying down the rule of practice for the board, is the statement:

"That it is hereby declared to be the policy of Congress to promote the effective merchandising of agricultural commodities—by encouraging the organization of producers into effective associations or corporations under their own (note these words) control for greater unity of effort in marketing and by promoting the establishment and financing of a farm-marketing system of producer-owned and producer-controlled (mark these epochal words) cooperative associations and other agencies."

The Federal Farm Board has no choice but to apply the powers delegated to it for the purpose to which it is committed. It follows the Nation's mandate. The House of Representatives overwhelmingly favored this legislation by a vote of 366 to 35.

You are aware that very broad powers were granted by Congress to the Farm Board. They may go as far as the ingenuity and desires of the board dictate in effecting what needs to be done. They may find a way to act and to do most anything which its considered judgment believes will bring about the desired objective of farm relief.

The disparity which now exists in the farm price of agricultural commodities when compared with other commodities is receiving the attention of the board. It is recognized that price stabilization alone is not enough. Farmers are concerning themselves more than ever before with the level upon which the farm prices are stabilized. The farm price must be above the world level because in the United States industry and labor are above.

If additional authority is required by the Federal Farm Board, in order to function as Congress intended, the voice of the organized producers will be a potent factor in securing this authority. The stabilization corporation provisions of the act will have to be utilized to the fullest extent. Even with that, many honest and sincere advocates of farm parity feel we are attempting to place too much responsibility upon the producers under the present farm marketing act. Only the future will determine that. Practically all are agreed that this act is going to help.

But it will succeed only if the vast majority of the farmers determine that it shall succeed. The farmers of to-day must fight for effective collective merchandising as did labor when it sought and gained its most cherished possession, that of collective bargaining.

This brings me to my closing thought with regard to effective merchandising of farm products. It is my honest and sincere conviction that without restraint on the part of the producers themselves, no Federal act or plan can hope to succeed. If a farm commodity is produced in excess of domestic requirements, its price rests on the world level. The greater the surplus the harder it will be to secure a price above that of the world level, which should be the objective.

This is agriculture's most difficult problem. Unwieldy surpluses are price depressing. On the other hand, no one favors doing entirely away with surpluses. It simply can not be done. Neither should it be done.

Production should be adjusted to effective demand, based upon an American price level. Concerted planning by all the producers of a given commodity is the most important first step. The creation of constantly increasing surpluses will break any organization of producers. Hit and miss production programs are certain to bring disaster.

There must be a careful survey of market requirements. Support your Federal Farm Board in its efforts to encourage research to find new uses for farm products, to utilize farm by-products, to broaden the market by seeking new outlets, to increase consumption wherever that can be done, to encourage planting wood lots and to discourage occupancy of marginal farm lands. The board is acting in your own interest in promoting these activities.

All producers should support their commodity group.

I want to congratulate the American farmers on having a strong Federal board to look after their interests. If you will all do your part, 1930 and succeeding years will show great improvement in the economic status of American agriculture.

THE TARIFF

Now, a few words about the tariff before I close. In the first place, I want to reaffirm approval of President Hoover's message to the special

session of Congress regarding tariff legislation, wherein he recommended limited revision in the interests, primarily, of agriculture. Our Speaker, Hon. NICHOLAS LONGWORTH, expressed this point of view when he stated a general revision should not be attempted.

The bill is yet before the Senate, where it has been greatly improved from the standpoint of benefits to agriculture. The pending bill is beginning to emerge in form that it should have had from the start.

The farmers have rightfully insisted and demanded that the benefits accruing to them from tariff changes should outweigh the added burdens imposed upon them.

Many beneficial agricultural tariff rates have been quite definitely agreed upon. These include vegetables, fruits, nuts, cattle, meat, sheep, wool, mutton, poultry, and poultry products, dairy products, flaxseed, soybeans, and other non-surplus products. This is a considerable list, and will be of material benefit to large groups of farmers.

Many of the agricultural rates are still far from what they should be. These rates should be increased to give the farmer the home market. If the present rate does not do this, it is meaningless.

The campaign slogan, "The home market belongs to the American farmer," became a household term during the last campaign. The solemn pledges to support "legislation which will give this [the home] market to him to the fullest extent of his [the farmer's] ability to supply it" was voiced upon every occasion. Now the farmers demand that these pledges be made good. They have a right to make this demand and to insist that the pledges shall be carried out.

Conservative estimates indicate that over 33,000,000 acres of crop land in the United States are displaced annually by competitive agricultural imports that are sold and consumed in this country. This area displaced by farm products that could be grown and produced here equals twice the cultivated farm area of my own State of Minnesota. It exceeds the combined cultivated crop area of all the New England States, New York, Pennsylvania, New Jersey, Ohio, and Oregon combined.

Agricultural products amounting to over \$1,000,000,000 in value are imported into this country annually in competition with our American farmers.

This home market is the great stake our farmers have in the pending tariff bill. However, the task to give to the American farmers their home market is not free from difficulties.

First there is the Philippine Islands problem. Sugar and vegetable oils from those islands are imported duty-free because the Philippines fly the American flag. This problem can not be decided in the consideration of a tariff bill. The issue will be brought before the American people for a full and impartial hearing. Let me say, in passing, that the increasing duty-free imports from our island possessions is agriculture's greatest menace at the present time.

The home market should be given producers of casein, casein substitutes, flaxseed, dried milk, milk, blackstrap molasses, fresh and frozen beef, eggs, potatoes, and various starches. I have no patience with those who oppose proper tariff protection against substitutes for identical domestic farm products. They are protecting industry at the expense of agriculture when they take that position.

Then there is a class of very important farm products which receive very little, if any, tariff benefits. These are the so-called surplus crops and products. Unless the protective tariff system is made effective for all of our farm products, the result will be to penalize several large groups of producers.

To give these classes of producers at least partial tariff benefits the debenture provision has been placed in the Senate draft of the tariff bill. This provision makes it optional with the Farm Board to issue export debentures. It should be given approval in order to give the plan a trial.

The purpose of the debenture is directly to benefit the producers of wheat, rye, barley, corn, oats, swine, and cotton, and indirectly to take the pressure off the dairy and livestock groups, thereby giving benefits to all. The dairy producers are already experiencing the results of expanded production which has practically placed their products in the surplus class. Our most thoughtful leaders are giving the debenture idea very careful consideration. It is being advocated by an increasing number of farmers all over the country.

There are those who glibly suggest that producers of these important surplus crops should shift to non-surplus products. It is manifestly impossible to do this. The creation of burdensome surpluses must be avoided, but normal production must continue if our farmers' income is not to be unduly curtailed.

The farmers must continue to fight for a tariff law such as the President called the Congress into special session to enact. The voice of the farmers should be heard during the remaining weeks that the tariff bill will be before Congress. Let the voice be clear and resonant, so that all may know what is demanded.

You will not be asking for charity or sympathy. You will simply be demanding your rights under the now universally accepted American system of protection.

The farmer is not opposed to proper rates for industry. The interdependence of industry and agriculture is well known. The farmer,

however, demands that the tariff work for his interests as effectively as it does for industry.

The Federal farm marketing act and its companion, the pending tariff bill, must together grant justice to the farmers. The former is already on the statute books. The latter is still before the bar of public opinion in this country.

The tariff bill must be shaped to give substantial benefits to all classes of farmers, to producers of every domestic farm commodity.

Those of us who are enlisted in the fight for equality for agriculture urge you, one and all, to enter the fray. Put in your best efforts now.

It is my sincere hope and wish that the coming year will bring to the farmer complete readjustment. For all of you, urban and rural, I wish a full measure of happiness and contentment throughout the year.

PETITIONS IN SUPPORT OF H. R. 7825

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting at their request some petitions sent me by the disabled, uncompensated veterans of the World War in this country in favor of H. R. 7825.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. UNDERHILL. Reserving the right to object, I have received some of these petitions, and I have no doubt other Members of Congress have received them. I think the total number of signers will run into the thousands. I have heard it stated as high as 60,000. It adds nothing to the value of the petition; it adds nothing to the value of the legislation sought to have these names printed in the Record. It simply clutters up, or fills up, the Record with a lot of names which mean nothing to anybody except those who live in the immediate vicinity of the signers.

Mr. RANKIN. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. RANKIN. That is not my attitude. When one of these disabled veterans appeals to me, no matter where he comes from, it is the appeal of a man who has served his country in time of war. But if the gentleman from Massachusetts objects to the post-office address and names in the Record, then I should like at least to insert the petitions themselves. They are addressed to the Congress of the United States and that means every individual Member of Congress, and it registers the heartbeats of the American people, appealing to Congress to do something about the situation.

Mr. UNDERHILL. Further reserving the right to object, if the gentleman feels that it will give any additional information to Congress other than it now has, I will not object; but I do object to a list of names that I feel is not necessary.

Mr. RANKIN. Then, Mr. Speaker, I modify my request and ask to extend my remarks in the Record, and to insert the petitions without the names.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi as modified?

Mr. TILSON. Further reserving the right to object, are these petitions duplicates?

Mr. RANKIN. If they are, I shall only insert one copy. I have no disposition to clutter up the Record with unnecessary material any more than has the gentleman from Connecticut or the gentleman from Massachusetts.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, I regret very much that the gentleman from Massachusetts [Mr. UNDERHILL] objected to inserting in the Record the names of these disabled veterans who signed these petitions. He says there are possibly 60,000 of them. I do not doubt it, but they are the names of 60,000 ex-service men of the World War who offered their lives in defense of their country and who are now disabled and need their country's help.

I am satisfied that more than 60,000 telegrams and letters have come to the Members of Congress within the last 10 days appealing to them to support the Rankin bill (H. R. 7825), and to oppose the efforts now being made by the leaders on the committee on World War veterans' affairs to sidetrack it for other legislation.

These boys know, to express it in their own words, that through the passage of H. R. 7825 is their only hope for adequate justice at this session of Congress. These men who are now disabled and uncompensated are appealing to us as Members of Congress to manifest the same patriotic spirit which they manifested in 1917-18, and bring to them some measure of relief.

This bill extends the presumptive period for tuberculosis from January 1, 1925, to January 1, 1930, and amends the law to include all chronic constitutional diseases. It also repeals sections 206 and 209 of the present law, which limits the time in which these men may file their claims or make their proofs.

We started hearings on this bill before the Veterans' Committee about three weeks ago. Strange to say that instead of putting on witnesses friendly to the bill, the chairman of the committee called witnesses opposing the measure. They heard witnesses opposed to the bill for two weeks without permitting a single witness to testify who favored its passage—although representatives of ex-service organizations were present at all times ready and anxious to testify for the bill and to reply to those opposed to it.

Suddenly, like a clap of thunder from a clear sky, the leaders on the Veterans' Committee sidetracked this measure, without even permitting us to put on a single witness who favored it, and took up hearings on other legislation of less importance to the disabled men.

I have before me now petitions signed by thousands of ex-service men, disabled men, who fought their country's battle in times of war and who are now asking for a reasonable consideration at the hands of their Government in times of peace.

Here is one which comes from Castle Point, N. Y., and is signed by thousands of these unfortunate boys from such States as New York, Pennsylvania, New Jersey, and other North-eastern States. I wish I might be permitted to insert their names and addresses in order that you men from that section of the country might recognize the sons of your neighbors and your friends. The petition reads as follows:

UNCOMPENSATED DISABLED VETERANS OF THE WORLD WAR,
UNITED STATES VETERANS' HOSPITAL,
Castle Point, N. Y.

To the Congress of the United States:

Whereas thousands of World War disabled veterans are justly entitled to compensation, and are now denied same through discriminatory provisions in the World War veterans' act of 1924; and

Whereas these provisions set the date of January 1, 1925, prior to which time the veteran must conclusively prove with documentary proof, and to the satisfaction of the Veterans' Bureau, that his disability was then existent, which date is arbitrary, discriminating, and contrary to the principles of a square deal for our disabled World War veterans; and

Whereas we, the undersigned citizens, know that the people of these United States do wish and desire that our disabled veterans of the World War, be adequately and justly compensated through the amendment of the arbitrary legal technicalities existent in the World War veterans' act of 1924, to provide compensation to those veterans whose disabilities have developed since the aforesaid arbitrary and discriminating date, January 1, 1925;

Therefore, we most earnestly request and urge your support of Representative RANKIN's bill (H. R. 7825).

Here is one from Aspinwall, Pa., attached to which are several pages of names of men from Pennsylvania, West Virginia, Ohio, New York, and other States. I wish I could put their names in the Record. Read it, you men from those States, and catch a rumbling of that rising tide of public sentiment in this country in favor of this legislation.

ASPINWALL CHAPTER, NO. 20,
THE DISABLED AMERICAN VETERANS OF THE WORLD WAR,
UNITED STATES VETERANS' HOSPITAL NO. 103,
Aspinwall, Pa.

To the Congress of the United States:

We, the undersigned veterans of the World War, who are at present in the United States veterans' hospital at Aspinwall, Pa., and who, by reason of insufficient proof, can not establish a claim to compensation under the existing World War veterans' act, 1924, and who are anxious to regain our health and at the same time to keep our wives and families from suffering want and deprivation, earnestly petition the passage of the Rankin bill (H. R. 7825).

I have here another petition 4 or 5 feet long, signed by a large number of men from Georgia to Massachusetts. I am sorry these names can not go into the Record so that the Members of the House from Massachusetts could read them, for they would find that it contains the names of as patriotic men as any State has ever produced. This petition seems to have been hastily written, and reads as follows:

The Congress of United States:

We, the non-service-connected patients hospitalized here at the national military home, Dayton, Ohio, urgently request that the Rankin bill (H. R. 7825) be extended to January 1, 1930.

Here is one from Oteen, N. C., which literally contains thousands of names from practically every State in the Union. I wish I could insert their names in order that you might see that this appeal is coming from every congressional district in the United States. These poor men are now suffering from tuberculosis and are denied compensation because of the present

law and the interminable and insurmountable red tape of the Veterans' Bureau. This petition reads as follows:

To the Congress of the United States:

Whereas it has been brought to our attention that a large group of disabled veterans of the World War, who are victims of tuberculosis, are denied the allowance of service-connected disability compensation, through present law and time-limit date; and

Whereas, the disallowance of claims of these disabled veterans between the dates of January 1, 1925, and January 1, 1930, under such law and time-limit date has created an unjust discrimination which deprives them and their dependents of greatly needed financial aid: Therefore

We, the undersigned citizens, do hereby petition and request your action and support for the enactment of Rankin bill, H. R. 7825, to extend the date of service-connected disability allowance to January 1, 1930, to allow the benefits of compensation to disabled veterans of the World War who develop active tuberculosis prior to the date of January 1, 1930.

Thus you will see that while these petitions are different in verbiage they all contain the same appeal for this bill which they recognize as their only hope for real relief at this session of Congress. They responded to their country's call in times of war, and it is now our duty to respond to their appeal in this hour of their distress.

I know some of you will say that we are giving these men hospitalization. That is true as to a small number of them. But, even then, we are denying compensation to their wives and children, many of whom are suffering for the necessities of life or are forced to appeal to charity.

But some say it will take money to take care of these men. I grant you it will take money. Since this Congress convened, you have spent hundreds of millions of dollars that could have been better applied to this worthy cause. In the first place, you refunded income taxes for last year. You told us the amount refunded would be about \$160,000,000, but the Treasury Department now tells us that you gave back to those income-tax payers at least \$190,000,000, and it was stated on this floor, and, if I am not mistaken, it was stated in the message of the Chief Executive, that it was the intention of the administration, or the hope of the administration, to make the same reduction each year from now on. Less than one-fourth of that amount would pay every dollar the Rankin bill would cost. Instead of returning this amount to the already prosperous income-tax payers of the country, we could at least apply the small amount necessary to carrying out the provisions of this bill in order to relieve the sufferings of our uncompensated disabled veterans to whom we owe a debt of gratitude that we can never live to pay.

Not only that, Mr. Speaker, but in the French debt settlement, which was also passed since this Congress convened in December, Congress virtually gave to the French people \$2,500,000,000, extending over a period of 61 years. You also gave to Great Britain, in the British debt settlement some years ago, about \$2,000,000,000, and gave to Italy, in the settlement with that country, a billion six hundred million. If this rich and powerful country can be so generous to the peoples of other nations and with the prosperous income-tax payers of America, then we can afford to be generous, at least to the point of justice, to those brave men who defended the Nation's flag in times of war, and who are now unable to defend themselves in times of peace.

The American people are in favor of this bill. You talk about something voluminous! If I were to insert in this Record all the letters, all the telegrams, all the petitions, all the appeals that have come to my office from the people throughout the country, from American Legion posts, from Disabled American Veterans of the World War, from individual ex-service men, from the fathers, mothers, wives, and friends of these disabled men, it would take up infinitely more space than it would to have inserted in this Record the names of these 60,000 poor boys to whom the gentleman from Massachusetts referred.

The American people are behind this bill and they are not going to be satisfied to have it sidetracked or pushed aside. The Members of Congress are in favor of it. If the leaders on the Veterans' Committee would report it out at once and let it come to the floor of the House for a vote, it would pass this House by at least 4 or 5 to 1. And it would do the same thing in the Senate.

They may block this bill in the Veterans' Committee and prevent its coming to the floor of the House, but I want to serve notice now that I expect to keep up the fight to the very last, and if I am defeated in the committee, I shall bring the fight to the floor of the House and continue the battle for full and complete justice for our uncompensated disabled veterans of the World War.

PROHIBITION REORGANIZATION

Mr. WILLIAMSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8574) to transfer to the Attorney General certain functions in the administration of the national prohibition act, create a bureau of prohibition in the Department of Justice, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8574, with Mr. HOOPER in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

SEC. 2. (a) There shall be in the Department of Justice a Bureau of Prohibition, at the head of which shall be a Director of Prohibition. The Director of Prohibition shall be appointed by the Attorney General, without regard to the civil service laws, and shall receive a salary at the rate of \$9,000 per annum.

(b) The Attorney General is authorized to appoint, without regard to the civil service laws, an Assistant Director of Prohibition and such attorneys as he deems necessary and, in accordance with the civil service laws, such other officers and employees as he deems necessary. The salaries of the assistant director and of all such attorneys, officers, and employees shall be fixed in accordance with the classification act of 1923, as amended (U. S. C., title 5, ch. 13; U. S. C., Sup. III, title 5, ch. 13).

(c) The Attorney General is authorized to designate any officer of the Department of Justice to act as Director of Prohibition during the absence or disability of the Director of Prohibition, or in the event that there is no Director of Prohibition.

(d) The personnel of the Bureau of Prohibition shall perform such duties, in the District of Columbia or elsewhere, as the Attorney General shall prescribe.

With the following committee amendments:

Page 2, line 6, after the word "with," insert "the competitive provisions of."

Page 2, line 14, after the word "officer," insert "or employee."

Mr. CHINDBLOM. Mr. Speaker, I move to strike out the last word, for the purpose of asking a question. Is it the purpose that the competitive provisions of the civil service laws shall be applicable to all appointments, including promotions? The gentleman knows that there are provisions under which after a person has come into the service he may have a non-competitive examination for promotion; and the departments and the Civil Service Commission frequently find it advantageous to conduct such an examination.

Mr. WILLIAMSON. Mr. Chairman, as I understand the situation, there are now in the Department of Justice about 1,400 employees who are under the civil service and about 2,800 not under the civil service. The employees now in the Bureau of Prohibition in the Treasury Department have all been selected under the competitive provisions of the civil service act; and in order to have uniformity in that section of the Attorney General's office dealing with the enforcement of prohibition, we thought the new appointees should serve under exactly the same conditions and be appointed in the same manner as the existing personnel.

Mr. CHINDBLOM. I think that would be the result without any question if these words "the competitive provisions" in the first committee amendment were not added. The draft originally read:

In accordance with the civil service laws.

Mr. WILLIAMSON. It would not be the result, for this reason: There is an exception in the civil service law which permits the Attorney General to select his employees either without any kind of examination or upon a noncompetitive basis, and if you leave out "competitive provisions," he can select them through noncompetitive examinations, and it was thought better to have them selected on a competitive basis, so as to come in line with the employees now in the prohibition service.

Mr. CHINDBLOM. Then it is the purpose to exclude any opportunity for noncompetitive examinations in this service?

Mr. WILLIAMSON. That is correct.

Mr. CHINDBLOM. And in that respect this service will differ from every other service in the Government subject to the civil service laws?

Mr. LEHLBACH. Oh, not in the slightest, if the gentleman will permit. Ordinarily the language "in accordance with the civil service laws" would put these people into the competitive service, but there is another provision of law which is of long

standing permitting the Attorney General in his discretion to make civil service appointments without competitive examinations, which applies to the legal staff, the attorneys, the law clerks, and so forth in the department. What is intended is to keep the prohibition agents in the same civil service status they are in at the present time, and in order to do it the language has to be explicit and say, in accordance with the committee amendment—

With the competitive provisions of the civil service laws.

It merely makes it as the law is now, and makes it as the civil-service system is applicable in all similar cases. It merely safeguards against taking advantage of legislation applicable peculiarly to the Department of Justice, which was enacted years ago.

Mr. CHINDBLOM. The gentleman knows that noncompetitive examinations may be held for promotion under the present civil service laws.

Mr. LEHLBACH. Surely.

Mr. CHINDBLOM. And not for original entry.

Mr. LEHLBACH. Oh, yes; in some instances they have noncompetitive entrance examinations.

Mr. CHINDBLOM. Is it the purpose to exclude that possibility by those words?

Mr. LEHLBACH. No; because this deals only with the original employment of these people.

Mr. WILLIAMSON. Mr. Chairman, I may state that this matter was thoroughly discussed by our committee with the Attorney General himself and also with the Assistant Attorney General, Mr. Youngquist, who will be in charge of prohibition enforcement, and both of them favor this provision.

Mr. CHINDBLOM. Mr. Chairman, with the explanation of the chairman of the Civil Service Committee, the gentleman from New Jersey [Mr. LEHLBACH], I have no objection to the language.

Mr. LAGUARDIA. Mr. Chairman, I rise in opposition to the pro forma amendment. Is it the intent of the committee and the bill to provide for appointees, directors, and attorneys outside of the civil service?

Mr. WILLIAMSON. That is correct.

Mr. LAGUARDIA. That is somewhat changing the present rule?

Mr. WILLIAMSON. It is changing the situation, so far as the Bureau of Prohibition in the Department of the Treasury is concerned, but in order to bring it into conformity with the services in the Department of Justice it is necessary to take the attorneys out from under the civil service, because no attorneys in the Department of Justice are appointed under the civil service.

Mr. LAGUARDIA. How about the director?

Mr. WILLIAMSON. The director and the assistant director are appointed also without regard to the civil service law.

Mr. LAGUARDIA. Not now?

Mr. WILLIAMSON. The assistant director is, but not the director.

Mr. LAGUARDIA. How about the administrators in the various districts?

Mr. WILLIAMSON. They will be appointed in conformity with the civil service laws as they are now.

Mr. MOORE of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. MOORE of Ohio. Consider counsel in the administrator's office in one of the States—I do not know what his technical title may be. What will be his status under the present bill?

Mr. WILLIAMSON. He will be outside of the civil service if he is carried into the Department of Justice. If he continues in the service of the Bureau of Prohibition in the Treasury Department his status will not be changed.

Mr. MOORE of Ohio. As I understand it, this bill will take officers from under the jurisdiction of the Treasury Department and put them under the jurisdiction of the Department of Justice. Take the case of a legal adviser in one of the districts in the States. He has probably taken a noncompetitive examination; at any rate, is under the civil service now. Does the gentleman mean that this bill affects his status?

Mr. WILLIAMSON. A large number of attorneys who are at the present time employed in the Bureau of Prohibition in the Treasury Department are employed in connection with the permit system and are not employed in the law-enforcement section. These, for the most part, will undoubtedly remain in the Treasury, where they are. The Attorney General does not intend to take over any attorney who is not willing to leave the civil service and come into the Department of Justice. I do not believe any hardships will be imposed upon any of the

attorneys in the Treasury. The chances are that those who are taken over will have a more inviting future than those who remain.

Mr. MOORE of Ohio. Those who are now in the civil service and whose services are satisfactory do not need to change?

Mr. WILLIAMSON. They will not be disturbed. I am sure the head of the department will not force anybody into his department in cases where he does not care to come.

Mr. ESTEP. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. ESTEP. I would like to know about the attorneys in the various districts, at Pittsburgh, for instance, where they have five or more attorneys under the prohibition administrator. They will be turned over to the Department of Justice, will they not? They are under the civil service. Will they be discharged or will they have the right to transfer themselves from under the civil service and retain the positions that they now have?

Mr. WILLIAMSON. The transfers must be made by departmental order. Those that the gentleman refers to, or most of them, will probably remain in their present assignments, as the permit system will not be handled by the Department of Justice; but if any are utilized in the enforcement division, they will lose their civil-service status.

Mr. ESTEP. They go into the district courts the same as the district attorneys and handle the business of the administrator. What will they do?

Mr. WILLIAMSON. They will be taken over.

Mr. ESTEP. But will not the Department of Justice discharge them, inasmuch as the Attorney General reserves the right to appoint new men without having them take the civil-service examination?

Mr. WILLIAMSON. Those who are willing to accept a non-civil-service status will be retained. If they are unwilling to accept such status and can not be utilized in the Treasury Department or be placed elsewhere, they would doubtless lose their jobs.

Mr. TILSON. Those who come over will be appointed?

Mr. WILLIAMSON. Yes. They will be transferred and given appropriate assignments by the Attorney General.

Mr. TILSON. Will they be assistants to the Attorney General?

Mr. WILLIAMSON. Yes; substantially that. Most of them will undoubtedly be assigned work under the direction of the district attorneys.

The CHAIRMAN. The question now is on agreeing to the first committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read the next committee amendment.

The Clerk read as follows:

Page 2, line 14, after the word "officer," insert the words "or employee."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. (a) All attorneys, officers, and employees of the enforcement division of the Bureau of Prohibition in the Treasury Department are hereby transferred, without change in classification or compensation, to the Bureau of Prohibition in the Department of Justice, but such attorneys shall not be subject to the provisions of the civil service laws.

(b) All records, files, and property (including office equipment) of the enforcement division of the Bureau of Prohibition, and the portion of the unexpended appropriations for the Bureau of Prohibition in the Treasury Department apportioned for the use of such enforcement division, are transferred to the Bureau of Prohibition in the Department of Justice.

(c) Appropriations transferred by this act shall be available for expenditure by the bureau to which they are transferred as if such bureau had been named in the act making the appropriations.

With a committee amendment as follows:

Page 3, line 1, after the word "laws," insert a colon and in quotation marks the words "Provided, That all officers and employees of the Bureau of Prohibition who the Attorney General finds has heretofore or shall hereafter violate any provision of the Federal prohibition law, shall be dismissed."

Mr. WILLIAMSON. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from South Dakota.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMSON: Page 3, lines 2 to 5, inclusive, strike out the quotation marks at the beginning and end of the proviso.

The CHAIRMAN. The question is on agreeing to the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the committee amendment as amended.

Mr. PALMISANO. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from Maryland offers an amendment to the committee amendment. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: On page 3, line 3, strike out all after the word "have" down to and including the word "dismissed," on line 5, and insert in lieu thereof the following: "indictments for felony pending against them be suspended pending said indictments and those who have heretofore or shall hereafter violate any penal provisions of the Federal or State laws shall be dismissed."

Mr. WILLIAMSON. Mr. Chairman, I make a point of order against that, on the ground that the amendment is not germane to the bill or section or paragraph.

Mr. PALMISANO. I hope the gentleman will withhold his point of order for a moment.

Mr. WILLIAMSON. I will reserve it.

Mr. PALMISANO. Mr. Chairman, ladies and gentlemen of the committee, I am personally opposed to this bill, as I feel that Congress is establishing a bad precedent in transferring the police powers to a prosecuting official. While the present Attorney General may not abuse said powers, there is no saying what future Attorneys General and their subordinate district attorneys throughout the country may do. If they are inclined to do so, I fear that some time or another this department will be used as a political football, and for that reason I shall vote against this bill.

It has been contended by the majority party that the present Secretary of the Treasury Department is the best since Alexander Hamilton. Then why the necessity of a change?

This bill further provides by section 5 (a):

The Attorney General and the Secretary of the Treasury shall jointly prescribe all regulations under this act and the national prohibition act relating to permits and the forms of all applications, bonds, permits, records, and reports under such acts.

Under the present law, the Secretary of the Treasury makes those regulations, and if he is the best Secretary since Alexander Hamilton, why place a check upon an efficient official and place it in the hands of the Attorney General? It seems to me, Mr. Chairman, if there is any doubt about the enforcement of this law by the present Government officials, it should be taken from those officials and placed entirely in a new agency, but not in the hands of a prosecuting attorney. Nevertheless, I trust that this amendment will pass, as I am satisfied the bill is going to pass, and to that extent it will promote efficiency in the department.

The provision in reference to the officials and agents of the department if this amendment is adopted will read as follows.

I wish that the Members would pay special attention to this amendment. As far as I am concerned, my friends, all I want is to have respectable citizens enforce this law as long as you have it on the statute books, and I think we all ought to agree to that proposition. The provision would read as follows:

Provided, That all officers and employees of the Bureau of Prohibition who the Attorney General finds have indictments for felony pending against them be suspended pending said indictments and those who have heretofore or shall hereafter violate any penal provisions of the Federal or State laws shall be dismissed.

The only difference between the committee amendment and this amendment is this: The amendment offered by the committee provides that a man who has violated a penal provision of the Federal prohibition law shall be dismissed, while my amendment provides that if a man violates any law or has an indictment against him for the commission of a felony he shall be automatically suspended pending the indictment, and if he has violated or does violate any of the Federal or State penal laws he shall be dismissed. That is the extent of my amendment, and it seems to me the Members of this House, whether dry or wet, should agree to the provisions of this amendment.

The CHAIRMAN. Does the gentleman from South Dakota care to be heard on the point of order?

Mr. WILLIAMSON. Mr. Chairman, it seems quite apparent that the amendment offered by the gentleman from Maryland

to the committee amendment on its face is not germane. The only thing the section deals with is the appointment of officers and employees by the Attorney General, and the proviso simply deals with the matter of dismissal of certain employees who have violated or shall hereafter violate the prohibition laws. As I caught the amendment offered by the gentleman from Maryland this is new legislation upon a new subject matter and is not germane to the committee amendment.

Mr. LINTHICUM. Mr. Chairman, I can not understand why this amendment is not germane. The purpose of the committee amendment, as I understand it, is that anyone who violates a prohibition statute shall be dismissed. The gentleman from Maryland [Mr. PALMISANO] merely adds to that. His amendment provides that if a man is guilty of the violation of any statute of the United States he shall be dismissed, or if he is under indictment for the violation of any statute of the United States or of the States he shall be suspended pending the trial of the case. I do not see why it would not be germane. It is a matter of dismissal. It is a matter of who shall be employed and dismissed, and the gentleman from Maryland merely extends that a little farther and provides that if a man is guilty of violating any of the statutes of the United States or the States he shall be dismissed.

Mr. HASTINGS. Or indicted.

Mr. LINTHICUM. If indicted, then he shall be suspended.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. WILLIAMSON. The committee amendment has to do only with employees in the Prohibition Service who violate the national prohibition act, while the amendment offered by the gentleman from Maryland has to do with the violation of any and all laws, State or Federal.

Mr. HASTINGS. But it is by the same class of people?

Mr. LINTHICUM. Absolutely. The amendment offered by the gentleman from Maryland has the same purpose; that is, purification of the personnel of the Bureau of Prohibition. The gentleman merely extends it by saying that if a man violates any of the statutes of the United States he shall be dismissed. Why should such a man be employed in the Prohibition Bureau if he has violated some other statute perhaps of greater importance and be at liberty to be employed by the bureau if he has not violated the prohibition laws? Why is it not just as wrong to violate some other statute as it is to violate the prohibition act? Has it come about that a man can be employed in the Prohibition Bureau as long as he does not violate any prohibition statute and still be employed even though he violates any other statute.

Mr. COLTON. Will the gentleman yield?

Mr. LINTHICUM. Yes.

Mr. COLTON. But the amendment goes farther and provides for the violation of a State law, and the question I want to ask is: Who would be the judge as to whether he had violated a State law?

Mr. HASTINGS. Under the amendment, the Attorney General.

Mr. COLTON. But the Attorney General is not called upon to interpret State statutes.

Mr. LINTHICUM. In a State where we have concurrent enforcement would the gentleman say a man could violate a State law and still should be employed in the Prohibition Bureau?

Mr. COLTON. Under the present law and under the present amendment, they would have full authority to suspend.

Mr. HASTINGS. If the gentleman from Maryland will permit, the proposed amendment says that if a man has violated a State law or has been indicted he shall be suspended; and if information has been filed against him, either in a State court or in a Federal court, the Attorney General shall take the action suggested; and all this amendment seeks to do is to purify the personnel engaged in this work.

Mr. SWING and Mr. LA GUARDIA rose.

Mr. SWING. Mr. Chairman, on the point of order I want to make one suggestion. The Chair, of course, is informed of the general rule that where a section or an amendment simply deals with one class you can not add a new or an additional class. If it provides for two, you can add a third. Under this general rule, let me call attention to the fact that the amendment before the House provides for the class of employees that may be dismissed. The effect of the amendment to the amendment offered by the gentleman from Maryland [Mr. PALMISANO] is to add a new class, to wit, those who may be suspended, and is not, therefore, germane to the amendment now before the House, relating to those who may be dismissed.

Mr. LA GUARDIA. Mr. Chairman, I would like to be heard on the point of order. I am very much concerned in not restricting the latitude of amendments, and therefore I desire to

call the chairman's attention to the importance of his ruling in this case.

The point of order is raised to an amendment to the committee amendment. The question of germaneness therefore resolves itself into whether or not the amendment of the gentleman from Maryland [Mr. PALMISANO] is related to the subject matter of the amendment now before the committee for consideration.

The amendment of the committee gives certain directory instructions to the Attorney General that certain employees or agents shall be dismissed.

All that the amendment of the gentleman from Maryland [Mr. PALMISANO] does is to amplify and broaden, if you please, the purpose of the committee amendment. First, the committee amendment provides for his discharge in the event of a violation of the prohibition law and the amendment of the gentleman from Maryland [Mr. PALMISANO] provides for his dismissal in the event of a conviction of a crime, and further provides, under the general powers of the Attorney General given in this bill, a suspension in the event of an indictment.

This also is related to the subject matter of the bill for the reason that there is another qualification concerning these same employees, and that is that they must qualify under the competitive provisions of the civil service laws.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. LA GUARDIA. Certainly.

Mr. WILLIAMSON. I may say to the gentleman that the committee amendment is not germane to section 3.

Mr. LA GUARDIA. I believe it is.

Mr. WILLIAMSON. So the gentleman is not aided in his argument by saying that the amendment of the gentleman from Maryland is not offered to the section, but to the committee amendment and must be germane to the amendment offered by the committee. The amendment which the gentleman from Maryland [Mr. PALMISANO] has offered sets up an entirely different class and type of people who may be reached by the amendment, namely, those who have been guilty of committing some crime under the general law, no matter what it may be. The committee amendment is confined to those who may commit offenses against the national prohibition act and none other.

Mr. Chairman, I do not care to argue the matter further.

Mr. STAFFORD. If the Chair is in doubt, I wish to add one word supplementary to the position taken by the gentleman from New York.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Wisconsin.

Mr. STAFFORD. To my mind there can be no question but that the amendment offered by the gentleman from Maryland is in order.

In construing whether the amendment is in order, the point of view should be the same as if the subject matter of this proviso was in a separate bill under consideration by the House.

If the purport of this proviso was in a separate bill, what would be the scope of its consideration? Its purpose is to authorize the Attorney General to dismiss certain officers of the Government who have been found violating the penal provisions of the prohibition laws. This is a general enactment of law and it stands by itself.

With respect to the rule of its being related to one subject matter, the subject matter here is the conditions under which prohibition officers shall be retained in the service. For anyone to contend that this House can not act with respect to the character of men who should be continued in the service, as is intended by the amendment of the gentleman from Maryland [Mr. PALMISANO], is going to a ridiculous extreme. Such a construction would circumscribe to narrow limits the power of the House to legislate. This committee to-day under this proposed amendment is called upon to determine what should be the character of the men who shall enforce the national prohibition law. The committee amendment provides that heretofore or hereafter when they have been found guilty, they shall be suspended, and the purpose of the amendment of the gentleman from Maryland is merely to say that if they have been indicted they shall be suspended from the service. How any amendment could be more germane to the subject matter than the one under consideration I can not see.

Mr. DALLINGER. Mr. Chairman, I just want to call the Chair's attention to the fact that the amendment to the committee amendment increases the duties placed upon the Attorney General. It is a very easy matter for the Attorney General to determine whether an agent of his department has violated the prohibition law, but when you put upon him the duty of ascertaining whether an agent of his department has violated any law—Federal or State—that is certainly an entirely different matter.

Mr. STAFFORD. I have not argued the merits of the proposition, but the parliamentary question involved.

Mr. DALLINGER. It has been repeatedly held that where additional duties are imposed upon an officer of the Government that makes the amendment out of order.

Mr. LA GUARDIA. That is in an appropriation bill and not a legislative bill.

Mr. LEHLBACH. The gentleman from Massachusetts is arguing on the construction of a limitation on an appropriation bill.

The CHAIRMAN. The Chair is ready to rule. The point of order arises on the committee amendment, which reads as follows:

Provided, That all officers and employees of the Bureau of Prohibition who the Attorney General finds have heretofore or shall hereafter violate any penal provisions of the Federal prohibition laws shall be dismissed.

The gentleman from Maryland [Mr. PALMISANO] offers an amendment to the amendment, which reads as follows:

On page 3, line 3, strike out all after the word "have," down to and including the word "dismissed," on line 5, and insert in lieu thereof the following:

"Indictments for felony pending against them be suspended pending said indictments and those who have heretofore or shall hereafter violate any penal provision of the Federal or State laws shall be dismissed."

The point of order which is made against the amendment to the amendment is that it is not germane to the amendment, and the discussion on the matter has been an interesting one. The Chair is well aware of the fact that questions of germaneness frequently are very embarrassing and that it is frequently difficult to try to draw the exact line between that which is germane and that which is not germane.

In Cannon's Procedure in the House of Representatives, page 124, it is stated:

One individual proposition may not be amended by another individual proposition even though the two may belong to the same class.

It is hardly necessary to say that under this particular rule there have been many decisions in regard to germaneness. However, each question naturally arises on its own base, under its own given set of circumstances.

Germaneness means relevancy, relationship.

The question here is whether the amendment offered by the gentleman from Maryland has such relationship, such relevancy to the committee amendment as to permit it to stand in making it subject to a point of order.

Now, to be brief about it, the Chair believes that where there is introduced into the proviso which he has just read an additional subject matter, such as it seems apparent to the Chair has been introduced by bringing in State laws together with Federal laws, it seems to the Chair that the rule as to relevancy and relationship has been violated. It is not only an amplification as suggested here of the subject matter of the amendment offered by the committee but it seems to the Chair that not only does it amplify but it brings in a new body of matter, a new situation, that certainly is not relevant and not germane, and the Chair sustains the point of order.

Mr. WILLIAMSON. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

On page 3, line 3, after the word "heretofore," insert the word "violated."

Mr. WILLIAMSON. Mr. Chairman, that is a perfecting amendment to make it clearer.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The question now is on the committee amendment.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I want to ask the gentleman from South Dakota as to the character of the finding of the Attorney General when he dismisses an employee from the service. Will it be a formal finding that he has been indicted—what is the nature of the supervision that the Attorney General is going to exercise over the entire force?

Mr. SCHAFER of Wisconsin. He will be guided by the facts as he finds them, just the same as a Member of Congress would use his knowledge of facts with reference to the dismissal of a person employed in his office.

Mr. STAFFORD. It has been stated on the floor that the Attorney General does not intend to have any person employed who has been addicted to drink or who has been found taking a drink. It has come under my observation in the trial of cases

that many enforcement officials in order to get facts are obliged to take a drink.

They are obliged to drink the liquor, hold it in their mouths, carry it in their throats, until they get to a private closet, and then put it in a bottle, and use it on trial as an exhibit. Does the gentleman claim that these men are going to be dismissed for violating the penal provisions of the Federal prohibition laws on that account? Is that to be a ground for dismissal? Take, for instance, the case of the St. Charles Hotel at Milwaukee which was closed. It was disclosed that the prohibition officers entertained chorus girls for weeks and weeks and months and months, at the expense of the Government in order to get an indictment. Is that the character of violation of Federal prohibition laws that will be warrant for the Attorney General to dismiss men from the service?

Mr. SCHAFER of Wisconsin. Mr. Chairman, if the gentleman will refer to the decisions of the courts, he will find that on a number of occasions they have ruled that within reasonable limits prohibition agents could obtain evidence in that manner. What I have reference to in supporting this amendment are the crooked, grafting, law-violating prohibition agents.

The gentleman well knows that in our city, Milwaukee, Wis., we had a Federal prohibition agent, whose name I shall not mention, who spent hundreds if not thousands of dollars of the taxpayers' money in going around having drunken parties with wild women and spending the money extravagantly, stating he had to do so in order to obtain evidence.

Mr. STAFFORD. Mr. Chairman, I am acquainted with the fact, as my colleague is, of a prohibition enforcement officer who was indicted by a Federal grand jury being continued in the service, and only within the last two weeks has he been found guilty of violating the law by taking bribes from illicit vendors of liquor. I was in sympathy with the amendment offered by the gentleman from Maryland [Mr. PALMISANO] to reach that kind of a situation by suspending him from the service. The prohibition enforcement office kept that officer in the employ of the Government on the pay roll after he was indicted, and yet, a Federal jury convicted him and a Federal judge in Milwaukee sentenced him to more than three years' imprisonment. I do not want to see that character of officer carried on the pay roll.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last two words. I do this so that there may appear in the Record something about the activities of the Coast Guard. From the report of the committee I read this statement:

Division of authority, duties, and responsibilities is not conducive to the best results where a specific end is sought.

In the Record for the past two days I find no reference to what some time or other may happen to the Coast Guard. We know that the land forces of the Coast Guard have heretofore rendered valuable service. If the Prohibition Bureau is to be divorced entirely from the Treasury Department at this time it would seem that the activities of the Coast Guard would probably end after the goods are smuggled into the country. Heretofore they have taken a large part in the matter of transportation after the goods have actually been smuggled in, although there may not have been actual knowledge that the goods were smuggled in. The Coast Guard should be very much interested as to the way in which this bill may be pointing, and I would like to have the chairman of the committee state whether or not in his opinion a little later it will not necessarily follow that as far as the law enforcement in this matter is concerned that the Coast Guard and the border patrol will not have to be annexed to the Department of Justice. In the future shall the activities of the Coast Guard end after their duties preventing smuggling have ceased? Will their activities end as far as following up the transportation part of it is concerned?

Mr. HUDSON. Mr. Chairman, I move to strike out the last word. I do this in order to ask the chairman a question. In this committee amendment that we are discussing the word "heretofore" occurs. Will not that lead to endless confusion and trouble?

Mr. WILLIAMSON. So far as the language of this provision is concerned, it does not add anything new to the existing law. The Attorney General or the Secretary of the Treasury can now dismiss any officer who has been found, in his judgment, to violate any of the provisions of the prohibition or any other law. In other words, it is cause for dismissal if he has been guilty of violating the law. If the Attorney General should find that there are certain agents now in the employ of the Bureau of Prohibition who have been transferred to his department and who in the past have been guilty of violation of the law, he can dismiss them under this provision.

Mr. HUDSON. But he can do that without this provision.

Mr. WILLIAMSON. Yes. The amendment is intended to emphasize the duty placed upon the Attorney General to clean

up the forces in the Bureau of Prohibition. Much has already been accomplished in this line under the present management, I may say to the gentleman.

Mr. HUDSON. Does not the gentleman think the Attorney General would do this without the adoption of this amendment? Mr. WILLIAMSON. I have no doubt but that he will.

Mr. HUDSON. In other words, this amendment is of no effect, so far as the authority of the Attorney General is concerned, to clean up the report.

Mr. WILLIAMSON. No. It is put in here to emphasize the duty of the Attorney General to dismiss appointees who are themselves law violators.

Mr. HUDSON. Mr. Chairman, I want to support this bill and want to stand for what the Attorney General and the administration may want, but I shall vote against this amendment.

Mr. COLTON. Mr. Chairman, I rise in opposition to the pro forma amendment. When the committee adopted this amendment I submitted the matter to the Attorney General. I have always believed that this amendment is unnecessary and is really cumbering this bill with matter that should have no place in the law. The Attorney General, in reply to my inquiry, stated:

The proposal last stated is unnecessary. The bill specifically imposes upon the Attorney General the duty of enforcing the penal provisions of the prohibition laws. In view of that fact, it should not be necessary to enact a statute requiring dismissal from the service of those who violate them.

In other words, the bill itself imposes on the Attorney General the duty of enforcing the prohibition laws, and this simply adds to the statute a thing that is already conferred upon the Attorney General by the general provisions of the bill.

In other words, it is a lecture to the Attorney General to the effect that he shall do his duty. That lecture is not necessary. With the duty already conferred by law, it is simply superfluous to add the language contained in this amendment, and I concur with the Attorney General in the opinion that it is absolutely unnecessary, and I say we ought not to place it in the statute.

Mr. LEHLBACH. Mr. Chairman, I offer an amendment to the committee amendment.

The CHAIRMAN. The gentleman from New Jersey offers an amendment to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LEHLBACH: Page 3, line 5, strike out the word "prohibition."

Mr. WILLIAMSON. Mr. Chairman, I make a point of order to the amendment on the ground that it is not germane to the committee amendment. The purpose of the amendment now proposed is exactly that of the amendment offered by the gentleman from Maryland [Mr. PALMISANO]. It will greatly extend the number of laws for a violation of which employees must be dismissed. It would apply not only to the prohibition laws but to any laws whatever, State or national. It places upon the Attorney General new duties that are not placed on him by the committee amendment.

Mr. LEHLBACH. Mr. Chairman, an amendment that strikes out language and does not insert new language is germane because it does not contribute any new subject matter. That was the opinion held when the Lever Pure Food Act was under consideration during the World War. A Member offered a series of amendments to insert in the bill certain prohibition provisions, and the gentleman then occupying the chair, Mr. Hamlin, of Missouri, ruled out all amendments to strike out and insert as not germane, but when an amendment to strike out language and put in no new language was offered, he held it in order.

To strike out language does not add anything to the subject matter. This amendment says that the Attorney General shall dismiss any officer or employee of the Bureau of Prohibition who has heretofore violated or who shall hereafter violate any penal provisions of the Federal prohibition laws. Now the adjective qualifying "laws," the word "prohibition," merely qualifies the subject matter. It is perfectly competent and germane to strike out that qualifying word.

The CHAIRMAN. The Chair is not yet prepared to rule. The Chair would inquire of the gentleman is it not true that the striking out of the word "prohibition" would add to the subject matter here by including offenses other than those against the prohibition laws?

Mr. LEHLBACH. No; because the language of the subject matter that we are seeking to amend—I mean the committee amendment, which my amendment seeks to amend—is Federal laws; these are qualified by the word "prohibition." But striking out the qualification is not bringing in other subject

matter. If it were State laws, that would be different. But the subject matter here is Federal laws, and the amendment merely removes a limitation. The language stricken out is not subject to a point of order on the ground of germaneness. It has been so held repeatedly.

Mr. WILLIAMSON. Mr. Chairman, the committee amendment applies only to officers and employees of the Prohibition Bureau. If you strike out the word "prohibition," then the officials and employees may be dismissed for violating some traffic regulation or any Federal law other than the prohibition laws. The amendment proposed by the gentleman from New Jersey [Mr. LEHLBACH] simply adds innumerable laws to the prohibition law, for a violation of which employees of the Prohibition Bureau may be dismissed. The gentleman proposes to make any offenses against Federal laws the ground of removal.

Mr. LEHLBACH. I take away the qualification. Of course, a person is subject to dismissal without this amendment from the committee under general law in any department; but you make it mandatory on the Attorney General to dismiss any person who violates the provisions of the prohibition law. I am seeking to make it mandatory that he shall dismiss a man if he violates the Mann Act or some other Federal law.

Mr. GRIFFIN. Mr. Chairman, I ask the Chair whether the committee amendment may not be so construed that a violation of the prohibition law is the only offense for which it is made mandatory for the Attorney General to dismiss an officer or employee?

Mr. LEHLBACH. Yes. A violation of the prohibition law is the only offense for which it is made mandatory for the Attorney General to dismiss an officer. But that is not pertinent to the point of order.

Mr. GRIFFIN. Will not the effect of the amendment to strike out the word "prohibition," in line 5, be to open up the whole field of offenses, putting employees of the Government under penalty of discharge for the violation of any Federal law?

Mr. LEHLBACH. Yes; that is obvious.

The CHAIRMAN. The Chair is ready to rule. At first blush, when the amendment was first offered by the able gentleman from New Jersey [Mr. LEHLBACH], I thought the amendment was germane. But the Chair has changed his mind, and honestly changed his mind, during the discussion here. Having had time to think the matter over a little and having consulted with the parliamentary clerk a little about the matter, the Chair feels this way about it: The amendment offered by the committee provides, as the Chair has already stated in his earlier ruling:

That all officers and employees of the Bureau of Prohibition who the Attorney General finds have heretofore or shall hereafter violate any penal provisions of the Federal prohibition laws shall be dismissed.

The Chair thought at first that the canceling in the amendment of the word "prohibition" would be germane, but as he looks at it now he believes it would be enlarging, and enlarging very greatly, the scope of this amendment, and that it would be bringing into the amendment and into the purpose of the amendment a vast variety of other acts which are made crimes under the Federal law.

Therefore the Chair is inclined to hold, and does hold, that under the conditions the striking out of the term is not permissible and that the question of germaneness arises in the situation which confronts us, and sustains the point of order against the language of the amendment.

Mr. CRAMTON. Mr. Chairman, I rise in opposition to the committee amendment. It seems to me we ought to keep in mind the fact that the main purpose of this legislation is to place a great power in the hands of the Attorney General and to place a very heavy responsibility upon him. If we have not confidence in the Attorney General we ought not to pass this legislation putting that responsibility upon him. If we are to place that responsibility upon him we ought not to take any chance of tying his hands in a way that might interfere with the most effective enforcement. If we have confidence in him to justify this legislation we ought not to put in these trifling amendments that may appeal to us as to some detached cases and exceptional cases but which, nevertheless, may seriously interfere with real enforcement.

The committee ought not to delude itself about this amendment. It is mandatory. If the Attorney General is honest and he finds that a man has violated or hereafter violates the prohibition laws that man does not even have to be convicted; if the Attorney General finds that to be the fact he must dismiss him.

We prefer, of course, to have men of the very highest standing in the Government service, but in the enforcement of law there is a necessity some times for establishing a contact that

can not always be established through citizens of the highest character and of the least experience with the rough places of the world, and if the occasion rises, as very likely it will arise, in the enforcement of this law where the Attorney General finds that certain men will be the most effective agents in securing the enforcement of the law this House ought not to say that such men can not be employed.

I hope this amendment offered by the committee will be voted down.

Mr. LAGUARDIA. Mr. Chairman, I ask that the committee pause for just one moment to contemplate what is going on on the floor of this House at this time. We are considering a bill brought before us for the ostensible purpose of better enforcement. Here is a bill to reorganize the prohibition forces, and the gentlemen who are the sponsors of this bill and the gentlemen who claim to be in favor of strict enforcement seem to resent any attempt to write into the bill a provision which would exclude criminals from employment in the Department of Justice. [Applause.] That is all there is to it, gentlemen. Why this sudden rush to the defense of men who have been convicted of a crime, when, as a matter of fact, under the general law now in existence an ex-convict, a felon, or a man convicted of crime could not be continued in the Department of Agriculture and he could not be continued in the Department of State or any other department of the Government. I am at a loss to understand the defense at this time of men who violate the law, and it is only in the Prohibition Bureau that such men seemingly are wanted. Why, Mr. Chairman, I will give you an instance of a man who was indicted in Virginia by Federal agents, with two others, on a charge of conspiracy to violate the prohibition laws. Two of them went to trial, but they could not find the third man. He was a fugitive from justice. They were looking for him, and after the trial was over where do you suppose they found him? In the employment of the Prohibition Department up near Buffalo. Why, gentlemen, you really can not be serious in opposing an amendment which would protect the service and which would exclude from the service felons, criminals, and men who are convicted of a crime. I am sure I can not understand such inconsistency.

Mr. COLTON. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. COLTON. I want to ask the gentleman this question: Is there any power the Attorney General needs to have that he does not have under the general provisions of this bill if we impose upon him the duty of enforcing this law?

Mr. LAGUARDIA. Yes; and I will tell it. I did not want to tell it, but I will tell it now. I want to present a situation which exists in the State of Washington, in Puget Sound, where you have administrators of prohibition who are violating or permitting violations of the law they are supposed to enforce, and when the Department of Justice tried to investigate, a great statesman in the other body and one of the foremost champions of prohibition, pulled the Department of Justice off. That is the kind of a situation we are trying to prevent. The conditions around Puget Sound are simply disgraceful and apparently hushed up by advocates of prohibition.

Mr. COLTON. If the gentleman will yield further, they have power to remove now.

Mr. LAGUARDIA. But if you get strong backers of prohibition to prevent the removal of crooks, then, of course, the public can not be protected. Just as now we see leading dries in the House protecting ex-convicts and criminals in their employment or continuity in the Prohibition Bureau.

Mr. COLTON. I think we can trust the Attorney General in that respect, if we are going to intrust with him the enforcement of this law.

Mr. WILLIAMSON. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in five minutes.

Mr. LINTHICUM. Mr. Chairman, I object.

Mr. WILLIAMSON. Mr. Chairman, I move that all debate on this section and all amendments thereto close in five minutes.

The motion was agreed to.

The pro forma amendment was withdrawn.

Mr. BLACK. Mr. Chairman, I rise in support of the committee amendment. I think, in view of the purposes of the bill, it is a rather redundant proposition, because if the Attorney General is supposed to enforce the law against the public he certainly ought to be supposed to enforce the law against his own agents.

My principal reason in rising is to call attention to a couple of statements of the leading dry of the House, the gentleman from Michigan [Mr. CRAMTON].

The gentleman asked the House to have confidence in the Attorney General. The gentleman seems to have lost confidence in the Attorney General. The Attorney General has said

he would have nothing but dry agents, dry in minds and dry in throats. Now, the gentleman from Michigan insists that probably that is not the right type of agent; that we need a more vigorous type of agent; that we need agents who can make the right kind of contact in order to get evidence. In other words, according to the gentleman from Michigan, the slogan of the Prohibition Bureau after this should be that nothing but toppers be on guard.

The trouble with the committee amendment is that it does not go far enough. The amendment suggested by the gentleman from New Jersey [Mr. LEHLBACH] is the proper amendment. I was going to offer it myself, but the gentleman offered it before me.

Why is this the only law that the committee thinks the agents must obey? Why, evidently, the assumption is fair that a murderer might be employed by the Prohibition Bureau and the Attorney General would not have to throw him out, or a bribe taker, or anybody who has violated any of the other numerous penal provisions of the Federal laws, but this sacred law, according to the committee, must be upheld.

I do not know what we are coming to. Here we are wasting a lot of the time of Congress on this kind of proposition, yet the gentleman from Michigan, the leading dry of the House, the advocate of poison alcohol and this, that, and the other thing, here insists that those who drink are qualified to serve in the Prohibition Bureau.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman from New York yields back three minutes.

Mr. LINTHICUM. Mr. Chairman, I rise to speak in favor of the amendment. I think if we want to purify the enforcement of the prohibition law, we should do it as far as may be possible. There is one question that rises in my mind in this connection.

The other day I had up the matter of an amendment to a bill that was going to be introduced in Congress, and I went to the department involved and I stated to them my views about it, and they said:

Yes; that looks fair and reasonable, but the trouble is if you put in that amendment, then it is going to open this matter to influence, and people will come up here and say that we ought to do this or that for them, and then they will bring certain influences to bear upon us to do it.

If we do not adopt this amendment, I will say to the gentleman from Michigan [Mr. CRAMTON], we will leave this matter of employment open to solicitation and influence. A man can go to the Attorney General and say to him, "This man violated this act five years ago and that was not such a very bad thing; it was not so considered at that time, and I want you to let him continue to be employed," or some other example or condition. If we do not adopt this amendment, it will leave the Attorney General open to all kinds of influence and annoyance with respect to keeping men in the service that should not be; and I rather think it would be gratifying to the Attorney General if the door were absolutely shut against people who have violated the law; the Attorney General would be in good position and the public protected, and I sincerely trust the amendment will be adopted.

The CHAIRMAN. All time has expired on this section. The question is on the committee amendment as amended.

The question was taken; and on a division (demanded by Mr. LINTHICUM) there were 110 ayes and 30 noes.

So the amendment as amended was agreed to.

NATIONAL COMMANDER WILLIAM J. MURPHY

Mr. SWING. Mr. Chairman, I ask unanimous consent to proceed, out of order, for one minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SWING. Mr. Chairman and members of the committee, as you know, the disabled veterans of the World War are gathered together in a great national organization known as the Disabled American Veterans of the World War. Their organization is primarily interested in the welfare of disabled veterans, and particularly of those in hospitals. The national commander of this great organization happens to come from my district. He was a capable and valiant officer during the war and is to-day a genial, popular, energetic leader of this great organization. I am taking this time to call your attention to William J. Murphy, national commander of the Disabled American Veterans of the World War, who is now in the gallery. [Applause.]

PROHIBITION REORGANIZATION

The CHAIRMAN. The Clerk will proceed with the reading of the bill for amendment.

The Clerk read as follows:

SEC. 4. (a) The following duties are imposed upon the Attorney General:

(1) The investigation of violations of the national prohibition act, and violations of the internal revenue laws if a violation of such act is involved, for the purpose of enforcing the penal provisions thereof;

(2) The apprehension and prosecution of offenders against such act;

(3) The making of all seizures and enforcement of all forfeitures under such act, or under the internal revenue laws if a violation of such act is involved; and the remission or mitigation under section 709 of the revenue act of 1928 (U. S. C., Supp. III, title 26, sec. 2709), of any such forfeiture under the internal revenue laws; and

(4) The determination of liability for internal revenue taxes and penalties if a violation of the national prohibition act is involved, and the institution of suits upon, and compromise (before or after suit is brought) of, any cause of action under such act or under the internal revenue laws if a violation of such act is involved; but all assessments and collections shall be made under the direction of the Secretary of the Treasury, in accordance with existing law.

(b) The duty to make all investigations necessary in or incidental to administrative action with respect to permits and bonds given in connection therewith shall remain with the Secretary of the Treasury, but the Attorney General shall make such investigations as he deems necessary to prevent violations of, or for the purpose of enforcing the penal provisions of, the national prohibition act.

(c) The power under section 34 of Title II of the national prohibition act (U. S. C., title 27, sec. 51) to require copies of records and reports, the power to inspect records and reports kept or filed under the provisions of such act, the power to swear out warrants for offenders against such act, and the power and protection of section 28 of Title II of such act (U. S. C., title 27, sec. 45), are conferred upon the Attorney General, but such powers and protection shall also remain vested in the Secretary of the Treasury. All other rights, privileges, powers, and duties now conferred and imposed upon the Secretary of the Treasury and the officers and employees of the Bureau of Prohibition in the Treasury Department incident to the performance of the duties imposed upon the Attorney General by this act, including the bringing of suits to enjoin nuisances under the national prohibition act, are transferred to and conferred and imposed upon the Attorney General.

(d) The Attorney General is authorized to confer or impose any of the rights, privileges, protection, powers, and duties conferred or imposed upon him by this act upon any of the officers or employees of the Bureau of Prohibition or any other officer or employee of the Department of Justice.

The Clerk read the following committee amendments:

On page 3, line 20, strike out the word "laws" and the comma and insert the word "laws."

Page 4, line 20, strike out the words "have power to" and after the word "necessary," in line 21, insert "to prevent violations of, or."

Page 4, line 22, strike out "of" and insert the word "of" and a comma.

The committee amendments were agreed to.

Mr. CLANCY. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Page 4, line 20, after the word "investigations," insert a comma and the words "except investigations relating to permits and bonds given in connection therewith."

Mr. CLANCY. Mr. Chairman, the purpose of this amendment and amendments from me to follow to-day is to prevent dual control being invested in the Department of Justice and Treasury Department on alcohol permits. The purpose is to retain control of industrial alcohol permits in the Treasury Department.

It may be that this amendment and the amendments which are to follow will be voted down, but I am endeavoring to perfect the record to give testimony of legitimate big business in this country so that when the measure comes before the proper Senate committee the members will be moved to have public hearings and give big business a chance.

Every representative of the drug industry, paint, oil, and varnish industry, and the automobile industry with whom I have talked said that Mr. WILLIAMSON, chairman of that committee, was eminently fair and just as far as he was personally concerned. It is true that some retail druggists did give some testimony, but the representatives of the great industries did not get the chance to present their views at a hearing. Some representatives of the drug manufacturers did talk to Judge WILLIAMSON and had a dialogue with him, and they felt that they convinced him that a large measure of control should be retained in the Treasury Department handling business and not turned over partly to the Justice Department handling crimes. They

understand that their views were taken up in executive session, but were voted down.

On Friday I received telegrams indorsing my stand on this Williamson bill from H. S. Chatfield, president of the National Paint, Oil & Varnish Association, and also from Berry Bros. (Inc.), the largest varnish factory in the world, which is situated in my district in Detroit, and from the Acme White Lead & Color Works, one of the largest paint factories in the world, also situated in my district. These telegrams are as follows:

Attitude of National Paint, Oil & Varnish Association was fully set forth in resolution unanimously adopted at forty-second convention in Washington last October. * * * We approve transfer of policing functions to Justice Department but are convinced that Treasury is best fitted to handle legitimate business transactions.

H. S. CHATFIELD,
President National Paint, Oil & Varnish Association.

Much opposed to transfer of control industrial alcohol permits. Do what you can to have it remain in Treasury Department.

BERRY BROS. (INC.).

We are strongly in favor of retaining alcohol control in Treasury Department and will appreciate your efforts in accomplishing this.

ACME WHITE LEAD & COLOR WORKS.

Yesterday I cited the difficulty which the Henry Ford Hospital in Detroit had in getting an emergency prescription for the relief of a patient or patients.

The Henry Ford Hospital is above suspicion and is largely a charitable institution. I believe Mr. Ford's original contribution was \$5,000,000, and ever since it was established—and it has been operating now many years—he has suffered a loss of about \$1,000,000 a year.

That hospital is run largely by Johns Hopkins University men and they also are above suspicion, but when they demand a prescription with alcohol in it they immediately become possible criminals in the eyes of the Prohibition Enforcement Bureau. On September 30, 1929, the Henry Ford Hospital sent an urgent order to Parke, Davis & Co. for a prescription of elixir phenobarbital and one of the ingredients was alcohol and Parke, Davis could not fill the order until they got consent from Washington. I am told that it was an emergency prescription possibly involving an operation and I am informed that this drug is a sedative used to quiet hysterical or highly nervous persons. It is also used in extreme cases of neurasthenia where the patient is suffering acutely from being unable to sleep, and also in cases of nervous breakdowns.

I am not certain what the malady was, but the emergency was so great that Parke, Davis & Co. wired to Washington and then they long-distance-telephoned to Washington and then a personal interview was had with Dr. James M. Doran and then the permit was allowed, 18 days later, on October 18. Finally, the Henry Ford Hospital got the priceless medicine.

Now, that incident did not occur in backward China or oriental Turkey but it happened right here in the United States and originated in the most progressive and scientific city in the world—Detroit—but the prohibition people are not satisfied with having achieved that much wrong and placed lives needlessly in danger and caused useless suffering to innocent persons, but now they propose to add an additional 10 days' delay. They propose to take this matter out of the hands of the chemists and doctors and business men in the Treasury Department and turn it over to detectives and lawyers and 100 per cent prohibition-enforcement officials.

Now, the drug manufacturers say that if that happens they can never get an emergency prescription with all their telegraphing, long-distance telephoning through the Treasury Department in 18 days, because they can not always talk to the head of the bureau, and if so he will not always consent to call up the Assistant Attorney General to take up his time on a medicine prescription. Almost always they will have to deal with a subordinate, a doctor or a chemist in the Prohibition Bureau, and he will say absolutely, because of his training, in the bureaucratic style, "I dare not step on the toes of the Justice Department; I can not issue an emergency order; I can not do it by telegraph; I can not do it by long-distance phone, even though the drug company or the hospital pay the bills as they now do for the messages, but therefore must have the order in writing with the exact number of copies required, all duly signed and attested, and after I get all the papers in due course, we will send them out of the Treasury Department where they will lay for 10 days in the Justice Department, and if the patient has not died in that time the order will be forwarded to Detroit and he will get his medicine if he has not died in the interval of granting the order through dual action in the Justice Department and the Treasury Department and its receipt

in Detroit in the factory and its manufacture and its transportation to the hospital and its application by the doctor to the patient."

The House may want to know why many of the leading doctors and surgeons of the country have changed their views on the eighteenth amendment and why they are now opposing it so bitterly. One of these is Dr. Franklin Martin, of Chicago, perhaps the leading surgeon in the United States and the czar of the American Congress of Surgeons. Recently he came out emphatically against the eighteenth amendment and said that moderate use of alcohol, and particularly one or two drinks before meals, is a good thing for a man.

Also, the American Medical Association, who had its last convention on the Pacific coast at Seattle, I think, took an emphatic stand against the eighteenth amendment. Formerly many of these men had advocated it.

If you want the reason for some of these changes of opinion of these prominent men and the great benefactors of humanity you can find it in instances such as the application of the Henry Ford Hospital for a prescription to Parke, Davis & Co. and the inexcusable delay through Government interference through operation of the eighteenth amendment to its execution.

The proponents of this bill say that much of the injustice working upon druggists is cured by an amendment adopted at the last moment covering 90-day permits for druggists allowing them to sell whisky and which may not go to the Attorney General for the 10 days' probation and investigation period.

The gentleman from Wisconsin [Mr. SCHAFER] said yesterday that the National Association of Retail Druggists probably would not have sent their telegrams of opposition to the Department of Justice having a finger (under) this bill in the control of industrial-alcohol permits if they had known what Mr. WILLIAMSON's committee did at the last minute by putting through his amendment subsection (b) of section 6.

Now, I wish to make the point that druggists not only sell whisky for medicinal purposes but they sometimes have to send an order to drug manufacturers, such as Parke, Davis & Co., to make up prescriptions in a rush to cover emergency cases or even epidemics, when alcohol is one of the ingredients of the prescription. I wish to emphatically state that Mr. SCHAFER's amendment panacea does not cover this class of cases. I have that directly from Dr. James M. Doran this morning.

Druggists suffer a grievous wrong in this field under this bill. But temporarily leave the druggists out of the question and consider the great drug-manufacturing concerns. They get absolutely no relief under this amendment referred to by Mr. SCHAFER as a panacea for the drug trade. The matter is technical, but roughly this is the situation:

The big drug manufacturers get a basic permit—namely, the right to do business for a year, but that is not enough for them. They must continuously request supplemental permits; that is, if a druggist or a hospital or a college or a university or a research firm or a scientific group request them to make up a prescription with alcohol as an ingredient, Parke, Davis & Co. must take it up with Washington to get what is called a supplemental permit because their basic permit will not cover the situation.

Last year Parke, Davis & Co. alone had to ask for many, many supplemental permits. This bill provides for an additional 10 days' delay in granting such supplemental permits. The delay is already, under the present regulations, too long and works a dreadful hardship in cases of urgency or emergency where the sick or diseased or injured person needs the prescription immediately. It is a fearful handicap to the medical world.

Doctor Doran, Prohibition Commissioner, who is a chemist, said this morning that this amendment referred to by Mr. SCHAFER does not afford any relief to the drug manufacturers, and it does not afford any relief in the tremendously important field of supplemental permits.

I know that the recital of the details in this great wrong is largely falling upon deaf ears in this House, because the order has been given to rush through this bill, no matter how grievous the wrong and injustice to the American people, and particularly to the medical profession, that is incorporated in it; but I am making the remarks to clear my own skirts of any responsibility, and I am hoping that the Senate and its proper committee will give the American people, and particularly the medical world, a chance in its hearings to correct this injustice before the bill is returned to the House. I feel that there are many Members here who are now under orders to vote for this bill willy-nilly who will be glad to get an amended bill back from the Senate which will give them a chance to save precious lives and to prevent needless suffering.

It may well be said by the Members here to-day that it is the father or mother, the wife or the child, the brother or the

sister whose life is at stake, and when you vote for this bill you may be taking the responsibility of imposing needless suffering and perhaps the penalty of death upon your loved ones.

In any event you are exposing the American people to that horrible fate.

In my speech yesterday I complimented the gentleman from South Dakota [Mr. WILLIAMSON], whose name is attached to this bill, for his efforts to be fair in drafting the bill. It has been said here that representatives of the druggists appeared before the committee and secured an amendment. But it is also true that some representatives of the drug manufacturers did have a hurried and informal dialogue with Mr. WILLIAMSON alone, and they believe they convinced him that an amendment should be made to the bill retaining control of the permits in the Treasury Department alone. They also believe that Mr. WILLIAMSON made this suggestion to his committee, and that the suggestion was voted down, mainly because the request was made by the Attorney General that the bill should not be amended either by wets or drys.

If it is proper to transfer the control of industrial alcohol permits from the Treasury Department to the Justice Department, then certainly it follows that the food-and-drugs administration of the Agricultural Department must be transferred to the Justice Department, and it also follows that the administration of postal law violations must be transferred from the Post Office Department to the Justice Department, and it also follows that the Federal Trade Commission should be transferred to the Justice Department, if in all these three Government divisions the violations are worked up and then transferred to the Justice Department for prosecution.

If the American people have suddenly gone insane on crimes and criminals and wish to throw the bill of rights overboard and it becomes everybody's business to put his neighbor in jail under the Volstead Act or the Dyer Act or the violations of the Sunday blue laws or through the operation of anticigarette laws—which will soon be on the books as a Federal law if the Anti-Saloon League has its way—then why not build up the Department of Justice as the great towering department of departments with an army and navy of snoopers at its disposal and its long nose and long fingers in everybody's business?

Mr. SCHAFER of Wisconsin. Mr. Chairman, I rise in opposition to the amendment. I am opposed to this amendment, which is one of a series of amendments which the gentleman frankly states he intends to offer if it is adopted. The adoption of this amendment will destroy this consolidation bill. The consolidation as embodied in the pending bill can not be supported or opposed from a prohibition or an antiprohibition standpoint.

It can not be denied that one of the main causes for the deplorable conditions relating to prohibition enforcement in the past has been the illegal diversion of industrial alcohol, the statement of Doctor Doran, the present head of the Prohibition Unit, to the contrary notwithstanding. I do not agree with Mrs. Willebrandt, who has had charge of enforcing these laws for many years, in her position in favor of the retention of the prohibition laws, but I would rather take her statement after her experience, so far as the illegal diversion of industrial alcohol is concerned, than take the statement of Doctor Doran. The reports from the thirteenth district, headquarters in Chicago, recently sent to the committee and made public a few days ago, indicate that in the past—prior to Doctor Doran's administration—there were extensive diversions in the Chicago district, such as those brought to the attention of the American people by Mrs. Willebrandt in her book entitled "The Inside of Prohibition." The citation of the gentleman from Michigan [Mr. CLANCY] with reference to these reputable concerns is not of any vital interest and does not have a bearing on his amendment, because under the provisions of this bill, with his amendment not incorporated, you would be able to obtain the same service in that business transaction as you have obtained under the existing laws. In fact, I believe a better and more satisfactory service.

I am not one of those who want to harass physicians, druggists, or legitimate users of industrial alcohol. This consolidation bill will not do so. Ten years of prohibition have clearly demonstrated that something must be done to prevent industrial alcohol from being diverted to bootleg channels. Gentlemen of the House, be you wet or be you dry, it is far more important from a law-enforcement standpoint to write into the statute books provisions which will enforce the prohibition law against these great organized monopolies of bootleggers than it is to pester druggists, physicians, and poor men who, perhaps, may be in possession of or are transporting a bottle of 2.75 per cent beverage or a gill of distilled liquor. I ask the prohibitionists

and the antiprohibitionists in this House to unite and support the committee and vote down the pending amendment.

Mr. WILLIAMSON. Mr. Chairman, if this amendment should be adopted it would destroy the major purpose of this bill. Everyone knows that the leakage of industrial alcohol has been one of the prime factors which has tended to nullify the eighteenth amendment. The purpose of this bill is to give the Attorney General greater power to investigate all matters relating to the management and use of industrial alcohol, and to ascertain whether or not permittees are using it for unlawful purposes. Therefore, the Attorney General should have the right to investigate these permittees, and the manner in which they are dispensing industrial alcohol. If the amendment is adopted it will be impossible for him to do that.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMSON. Yes.

Mr. CLARKE of New York. Do I understand that the pharmaceutical drug companies over the United States or their attorneys were notified of your hearings and had their chance to appear, and that based on their representations you assured them that all of those who received permits and were using alcohol legitimately in their business would not find themselves hampered in any way?

Mr. WILLIAMSON. This does not go to that question. This goes to the question of whether or not the Attorney General shall have the right to investigate the permittees. He has the right now to investigate leaks, and so on, but he can go only to the door of the permittee. This bill permits him to go inside and examine books, records, and any other matter that will throw light on whether the permittee is complying with the law.

Mr. CLARKE of New York. Did the great industrial manufacturers have their day in court before the gentleman's committee?

Mr. WILLIAMSON. Yes. All who asked to be heard, were heard. If they failed to make a proper showing it is not the fault of the committee.

Mr. CLARKE of New York. Has not this bill been redrafted since that time?

Mr. WILLIAMSON. It has been amended some to meet their objections. The committee did not, of course, go the whole way with them. That would in large measure have destroyed what we were trying to accomplish. They did not ask for the amendment now under consideration, however.

Mr. CLANCY. Is it not true, first with regard to the diversion of industrial alcohol, that Doctor Doran has testified that there is now only an inconsiderable amount of industrial alcohol diverted into illegal channels, 3 per cent, and did not the gentleman from Michigan, Mr. HUBSON, two days ago state it was only 2 or 3 per cent? Also does not Doctor Doran maintain that illegal liquor is now being made from corn sugar and that last year, 1929, 1,000,000,000 pounds or thereabouts of corn sugar were manufactured into illegal liquor? I ask the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman, I may say to the gentleman from Michigan that even though the diversion of industrial alcohol may not be very great, it will be greatly increased if you take away from the Attorney General the power to investigate these permittees. It is with a view to holding down the number of cases of illegal diversion that we make this provision. No legitimate industry can be injured by it, and those who unlawfully use industrial alcohol ought to be hurt.

Mr. CLANCY. I made the statement that representatives of the industrial-alcohol manufacturers did not get an adequate hearing before the committee, but that they found the chairman, the gentleman from South Dakota [Mr. WILLIAMSON] was personally a very fair and courteous gentleman, and they say that he agreed to come along with them after an informal conference with him, and they were given to understand that he took up their suggestion in executive sessions of the committee later on, but was voted down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan [Mr. CLANCY].

The question was taken, and the Chairman announced that the yeas appeared to have it.

Mr. CLANCY. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided, and there were—ayes 25, noes 98.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. CLANCY. Mr. Chairman, I sent up another amendment to the desk.

The CHAIRMAN. The Chair had not been informed of it. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. CLANCY: Page 5, line 7, after the comma, insert "except in so far as such powers relate to permits given in connection therewith."

The CHAIRMAN. The gentleman from Michigan is recognized for five minutes.

Mr. CLANCY. Mr. Chairman, this is an amendment similar to the one I offered a moment ago, striking out the dual control and retaining the control of alcohol permits in the business department of the Government; namely, the Treasury Department. I was cut off a moment ago with important questions still hanging in the air.

I think these honorable representatives of these honest drug manufacturers and drug interests were correct in their contention that they did not get a fair hearing. The gentleman from New York [Mr. CLARKE] asked the question whether they did. The druggists and the retailers, as I understand, did get some sort of a hearing, but the manufacturers did not. They talked with the chairman but did not get a hearing before his committee.

What the opponents of my amendment are trying to make believe is that the druggists did get a fair hearing, and that this amendment cures the complaints which the gentleman from Wisconsin [Mr. SCHAFER] refers to. The point in that amendment is that the retailers shall not be hampered further in selling medicinal or permit whisky and liquor, but the manufacturers and hospitals and scientific associations and even the druggists themselves, when they want to make up an alcohol prescription, can not, and they do not consider the amendment, section 6, subsection (b), protects them, as claimed.

Now, this matter is technical and it runs about like this: The large drug manufacturers are granted by the Treasury Department a basic permit for a year. That is called the right to do business. But if the Henry Ford Hospital, for example, asks for an emergency prescription in a case where a patient is dying, or when an epidemic is on, say, the parrot fever, they must go to Washington for a special permit to get a little alcohol. The Treasury Department will be hereafter estopped from handling such a case by telegram or long-distance telephone. The Department of Justice has under this bill a "cooling time" for 10 days to further investigate. Now, these drug manufacturers have had experience with the Government for 50 years. They believe that this further and unduly ties them up; so does the medical and surgical fraternity. How do they do much of their business? Not on the basic permit, but upon what is called the special and supplemental permit. Parke, Davis & Co., for instance, are tied down by this bill in further drastic regulations and laws when they are already unduly and unjustly and unnecessarily hampered.

Mr. WILLIAMSON. I will say to the gentleman that they will not be in any way affected by this bill.

Mr. CLANCY. Doctor Doran said yesterday they would and that the section 6 article (b) amendment does not give relief in the case of supplementary permits.

Mr. WILLIAMSON. We have made a provision respecting special or supplemental permits to this line of druggists. They can get their applications through in 24 hours. There is no question about that.

Mr. ELLIS. If you will make good that proposition as to these supplemental permits and provide that they will be attended to by the department at once, all objection will be removed.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Wisconsin is recognized for five minutes.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. WILLIAMSON. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 12 minutes.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent that all debate upon this section and all amendments thereto close in 12 minutes. Is there objection?

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Chairman, the same arguments apply in opposition to the pending amendment, submitted by my distinguished colleague from Michigan [Mr. CLANCY] as applied to the amendment which he previously submitted and which was voted down by an overwhelming vote of this committee. I reiterate that these amendments would destroy the purpose of this consolidation bill.

With reference to the flood of telegrams, to which the gentleman from Michigan refers, coming from bona fide and reputable business institutions using industrial alcohol, and his

criticism of the committee for not giving the representatives of these legitimate business institutions an opportunity to be heard, let me say, Mr. Chairman, that the Committee on Expenditures in the Executive Departments commenced hearings on the pending bill on January 22, 1930; the hearings closed on January 28, 1930. Even prior to the commencement of the hearings the representatives of these business institutions—who we are now told are complaining about not having an opportunity to be heard—had seen articles in the press throughout the country indicating that the committee was going to consider the bill in question. Now, after the hearings have been closed there is no valid reason why the representatives of these institutions should now complain. We have the mail and we have the telegraph, and the hearings were not closed by the committee until after all those who had signified their intention of appearing for and against the bill had an opportunity of having their views expressed to the committee.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. SCHAFER of Wisconsin. Yes.

Mr. CLARKE of New York. Is it not true that the bill has been changed very materially since those hearings?

Mr. SCHAFER of Wisconsin. Changed to help them.

Mr. CLARKE of New York. That does not seem to be the case with them, because they do not understand the situation at the present time. I have in my district the largest chemical manufacturing company in the State of New York and today they are very much disturbed. They want to go along and have a chance but do not want legitimate business put out of business.

Mr. SCHAFER of Wisconsin. They can go along under the provisions of this bill without the incorporation of the amendment submitted by the gentleman from Michigan [Mr. CLANCY].

Mr. CLARKE of New York. Let the chairman get up and clarify the situation.

Mr. SCHAFER of Wisconsin. The chairman will do that, but I have another situation to clarify first. The gentleman from Michigan referred to the 90-day permit amendment by the committee as the Schafer amendment. I have no pride of authorship as to that amendment; in fact, that is not a Schafer amendment, but it is an amendment which I supported wholeheartedly after listening to the able presentation of his case by the representative of the National Association of Retail Druggists. I respectfully differ with my colleague from Michigan [Mr. CLANCY] when he rises on the floor and states that the amendment which is incorporated on page 6, subsection (b) of section 6, only applies to prescription medicinal liquor such as Old Crow, Three Star Hennessy, Johnnie Walker, and the like. This 90-day provision, as embodied in the committee amendment, refers to all industrial alcohol, and I am astounded to find that to-day on the floor of the House we hear the gentleman from Michigan saying that Doctor Doran indicates an absolutely different position from that which the committee received from his office and the office of the Attorney General of the United States.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WILLIAMSON. Mr. Chairman, I want to give just one word of explanation which I think will clear up this whole section. The thing which I understand the wholesale druggists and large users of alcohol are alarmed about is the fear that under this bill no supplementary permit can be granted to them without the Attorney General approving of their application. The Attorney General will not pass upon these applications.

This bill expressly provides, by amendments which the committee put into the bill at the request of these very people, that no permit for a period of less than 90 days shall go to the Attorney General. So that the Secretary of the Treasury will retain exactly the power he has now with respect to the issuance of these permits and there will be no supervision by the Attorney General. They can continue to purchase their special orders of alcohol just exactly as they do now without any additional red tape.

Mr. Chairman, I ask for a vote.

Mr. CLARKE of New York. Will the chairman of the committee in charge of the bill point out where that is contained in the bill?

Mr. WILLIAMSON. In subdivision (b) of section 6.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CLANCY].

The amendment was rejected.

The Clerk read as follows:

Sec. 5. (a) The Attorney General and the Secretary of the Treasury shall jointly prescribe all regulations under this act and the national prohibition act, and the form of all applications, bonds, permits, records, and reports under such acts.

(b) Regulations in force prior to the effective date of this act shall not be in force thereafter; but the repeal of such regulations shall not have the effect of releasing or extinguishing any penalty, forfeiture, or liability incurred thereunder. Nothing in this act shall affect the terms or conditions of any permit or bond given prior to the effective date of this act.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 5, line 24, after the word "act," insert the words "relating to permits."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 1, after the word "acts," insert a colon and the following: "Provided, That all regulations relating to the Bureau of Prohibition in the Department of Justice shall be made by the Attorney General."

The committee amendment was agreed to.

Mr. GASQUE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GASQUE: Strike out all of section 5 (a) and insert in lieu thereof the following:

"Sec. 5 (a) The Attorney General shall prescribe all regulations under this act and the national prohibition act and the form of applications, bonds, permits, records, and reports under such acts."

Mr. GASQUE. Mr. Chairman, ladies and gentlemen of the committee, I have always been in favor of the Volstead law. I believe the great majority of the people of the United States want to see this law enforced, or at least an attempt made to enforce it.

Owing to the enforcement of this law, or the lack of enforcement, I should say, the President of the United States has seen fit to appoint a committee to study the conditions that exist regarding the enforcement of the same. This committee has made a report. The President of the United States has come to Congress and asked us to pass a bill under which he thinks the law can be enforced, and I am surprised at the advocates of prohibition, those who favor this law, who stand up here and argue that any such law could be enforced when you place the duty of such enforcement under two heads.

Gentlemen, I want to ask the members of this committee, both Democrats and Republicans, are you in earnest when you say you want to see the prohibition law enforced, or are you just casting a gesture at the people of this country, saying we are doing something when you know in fact we are not?

The amendment I offer does not take industrial alcohol out of the Treasury Department but makes it clear and distinct that the Attorney General, the man who is to enforce the law, shall say under what conditions alcohol or any other liquor shall be withdrawn from bonded warehouses.

I am not surprised at all, gentlemen, to see that the permittees of this country are coming here to-day and making a fight to have this left in the Treasury Department. I say I am not surprised at that, but I want to say to those permittees of the country who want to withdraw alcohol for legitimate purposes, there will be nothing in this bill, whether my amendment prevails or not, that will not protect them in getting all the alcohol they will use legally. However, gentlemen, I think we would show ourselves to be weaklings if we should pass a bill that leaves the granting of permits under two heads and one that leaves room, as I said before, for passing the buck.

I have full confidence in the Attorney General. The Attorney General is a man who, I am informed, believes in this law, a man who wants to see it enforced. I am not so positive whether the Secretary of the Treasury does or not.

Now, let us see. Suppose you grant joint authority to these two men, one presumably a wet and the other a dry, do you not know that there is going to be a conflict from the very beginning? You should adopt this amendment if you want this law enforced. If you want to go before the country and say that we are just making a gesture, then adopt the committee provision in this bill.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. GASQUE. I yield for a question.

Mr. WILLIAM E. HULL. If we can not have adopted the amendment the gentleman is proposing, then the gentleman would prefer to have it remain in the hands of the Treasury, under one man, or under one control?

Mr. GASQUE. Absolutely; but let us pass a bill here where we can place the responsibility on somebody, and I prefer he be a dry.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. GASQUE. Just for a question.

Mr. WILLIAMSON. The gentleman does not seek by his amendment to transfer the permit system to the Department of Justice but simply seeks to have the Attorney General make the rules and regulations to control the Secretary of the Treasury in issuing permits. Is that correct?

Mr. GASQUE. That is all we want to do, sir. We want to leave that in the hands of the Attorney General, because we believe he will see that alcohol is not withdrawn illegally.

Mr. WILLIAM E. HULL. Will the gentleman yield again for a question?

Mr. GASQUE. Yes.

Mr. WILLIAM E. HULL. If the gentleman's amendment passes, then all the permits will be issued practically by the Attorney General, will they not?

Mr. GASQUE. They will not; the regulations will be made by the Attorney General.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman and Members of the House, this is the section that the business interests of the United States are alarmed over.

I want to say that if anyone other than Mr. Mellon was Secretary of the Treasury, this amendment would not be offered. I am not here to talk about Mr. Mellon, but I will say that I am not going to be one to join any movement where the purpose is to embarrass him. This amendment will not hurt Mr. Mellon but it will injure legitimate business. The Secretary of the Treasury, regardless of what others say, has handled to the satisfaction of the business people the permit end of the prohibition law.

The business interests of this country have been sending telegrams to Members of the House for the last few days and want the permit section left in the Treasury Department; they want the Secretary of the Treasury to write the regulations in reference to the permits and do not want prosecuting attorneys telling a Cabinet officer what to do.

The amendment of the gentleman from Michigan [Mr. CLANCY] being defeated, a provision remains in the bill which enabled the Attorney General, whenever he deems it necessary, to investigate the applications for permits and renewals to prevent as well as prosecute violations of the law.

As Members well know, there are numerous laws which provide penalties for violations. I might name the postal laws, the navigation laws, the pure food laws, and a score of others where the Attorney General is charged with prosecutions of violations but who ever heard of any suggestion that the head of the Department of Justice write the regulations for the administration of those laws? Why single out one? If it is good policy the same action should be taken in connection with all. It is not good policy and that is why I oppose the amendment offered by the gentleman from South Carolina [Mr. GASQUE].

You can not cite one instance where the law charges one Cabinet officer with the responsibility of administration and grants to another Cabinet officer the power to tell the administering official how he should proceed to carry out the provisions of the law. Such a proposal is unsound.

This amendment denies the Secretary of the Treasury the right to prescribe the regulations for the handling of permits, and so forth. It places this power in the hands of the Attorney General, whose duties are to prosecute violators of the law. It does give to the Attorney General the sole right to prescribe the regulations in regard to enforcement where that power properly belongs. Mr. Mellon wants nothing to do with writing the enforcement regulations, and I can tell you that Mr. Mitchell wants nothing to do with writing the regulations in reference to that part of the law which you are leaving with the Treasury Department.

The business interests of the country want the bill amended so that each department will write its own regulations, so they will have no trouble in securing industrial alcohol for the great manufacturing plants of the country. The doctors and druggists desire this done. If large corporations are unable to secure industrial alcohol they must close their doors, for they can not manufacture their products. Will you deny the doctors, druggists, and hospitals the alcohol to which they are entitled under the law and which they need to cure the sick?

Both parties always insert in their platforms more business in government, less government in business. Will you keep that pledge if this amendment is adopted?

We did have a quarrel in the committee, and frankly I do not think the bill was properly considered in the committee. I offered a motion in the committee—

Mr. WILLIAMSON. Mr. Chairman, I do not care to make a point of order, but the gentleman should not refer to what took place in the committee.

Mr. COCHRAN of Missouri. I refer to what took place in open session. I presented my motion to throw the hearings wide open, but it was not adopted. It is in the record. I was not permitted to ask questions that I would like to have asked the Secretary of the Treasury and the Attorney General.

Now, Mr. Chairman and Members of the House, if this amendment is voted down I propose to offer an amendment to the bill which will provide that the Secretary of the Treasury write the regulations so far as its own department is concerned, and the Attorney General write the regulations for that part of the law you are intrusting to his department. My amendment will meet the objections of legitimate business, doctors, druggists, and hospitals.

Mr. LINTHICUM. Mr. Chairman and gentlemen of the committee, I have received a great many telegrams and letters from people in the drug business, the manufacturers of extracts, and other business requiring industrial alcohol. They have been very much pleased by the manner by which the permits have been issued by the Treasury Department. I gather from these that they are in favor of leaving the permit question absolutely with the Treasury Department and putting the prosecution or the enforcement of the prohibition law into the hands of the Department of Justice. I feel that the Treasury Department has had a long experience, long before prohibition went into effect, of issuing permits for industrial alcohol, and I feel that it would be well to leave the permits entirely to the Treasury Department, and place the enforcement with the Department of Justice.

I intend, as far as I can, to comply with what the administration desires in the enforcement of the prohibition laws. Personally, I do not think those laws can be enforced, but I am willing to give the administration a chance to try it. They have tried this in the Treasury Department, and now they want to try it in the Department of Justice. I hope sincerely that it will not have the effect upon the Department of Justice that it has had on all other branches of the Government that have endeavored to enforce the laws. I hope this committee, in the interest of business, in the interest of those who know, will leave the issuing of the permits in the hands of the Treasury Department. I think that is the best thing for business and for everything else.

Mr. GASQUE. Does not the gentleman think that the Attorney General will be fair in providing regulations under which these people can take out alcohol?

Mr. LINTHICUM. I think he would be fair; but my people say that if you change from the Treasury to the Department of Justice it would mean new regulations and the upsetting of all things, and business is one thing that can not stop, if you want it to be successful.

Mr. GASQUE. Does not the gentleman believe that we ought to have new regulations owing to the conditions that exist to-day?

Mr. LINTHICUM. I am not sufficiently informed as to the regulations to answer that question, but I know that the business interests of the country want the permit question left in the hands of the Treasury Department, and I am for it.

Mr. COLTON. Mr. Chairman, I move to strike out the last three words. We make a mistake, ladies and gentlemen, when we go to an extreme either way in the consideration of a great problem like this. Just what will the amendment proposed by the gentleman from South Carolina do? It does not remove industrial alcohol from the Treasury Department. It leaves the issuing of the permits in the Treasury Department but provides that the Attorney General shall prescribe and formulate the rules and regulations under which the Department of the Treasury shall act.

Mr. HUDSON. The gentleman means the act in connection with the Treasury Department?

Mr. COLTON. Yes; I mean the carrying out of the duties imposed on the Treasury Department. In other words, it means that you place certain duties and responsibilities upon the Secretary of the Treasury and then, if you adopt this amendment, you provide that the Attorney General shall prescribe the rules under which the Secretary of the Treasury shall carry out those duties.

Mr. LAGUARDIA. Is not this the procedure under the bill? First, an application is made to the Secretary of the Treasury for a permit to withdraw denatured alcohol for certain purposes. He—the applicant—must comply with all of the requirements set forth by that department. When he gets the permit then it passes to the Department of Justice, which will supervise and determine whether he is living within the requirements of the law.

Mr. COLTON. Yes. That would be true under the provisions of the bill as amended. In other words, the bill as amended by the committee and submitted to the House would provide that the regulations are prescribed jointly by the Secretary of the Treasury and the Attorney General as to industrial alcohol. The amendment would take away all power and right that the Secretary of the Treasury would have in the matter of prescribing regulations as to industrial alcohol and vest in the Attorney General solely the right to make these rules and regulations. I submit that as a self-respecting official, if any man here were the Secretary of the Treasury he would not appreciate the Congress imposing upon him certain duties and then providing that another entirely independent department should make the rules under which he shall perform his duties.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Certainly.

Mr. WILLIAM E. HULL. If the Gasque amendment should prevail, then it is all in the hands of the Department of Justice?

Mr. COLTON. No. The issuing of the permits is still in the hands of the Secretary of the Treasury, but if the Gasque amendment prevails the Attorney General shall prescribe the rules and regulations under which the permits shall be issued.

Mr. WILLIAM E. HULL. Oh; I thought he issued them.

Mr. COLTON. No; that would be another question entirely. If you put the matter of industrial alcohol entirely into the hands of the Department of Justice, that would be entirely different. But that is not sought to be accomplished by this amendment.

Mr. WILLIAM E. HULL. If the gentleman's amendment prevails, then the Secretary of the Treasury will issue the permits but what does the Attorney General do?

Mr. COLTON. He prescribes the rules and regulations under which those permits shall be issued, and even prescribes the form of the bonds, and so forth.

Mr. WILLIAM E. HULL. Could he veto a permit?

Mr. COLTON. He could stop it entirely; yes, sir. There is no doubt of that, if the Gasque amendment prevails.

Mr. WILLIAM E. HULL. If the bill should pass as it is, he can stop it entirely, can he not, or can he?

Mr. COLTON. If the bill passes as it is recommended, the rules and regulations will be issued jointly, and in effect the Attorney General could veto a permit by the Secretary of the Treasury, or, at least, could refuse to join in issuing it.

Mr. WILLIAM E. HULL. In other words, that is really in his hands.

Mr. COLTON. But he could do that only after consultation and by refusing to join in the permit. Under this proposed amendment he would have absolute power and the Secretary of the Treasury would have no voice whatever.

Mr. WILLIAM E. HULL. If your bill passes as you have it written, the Attorney General acts only in conjunction with the Treasury Department; but if he disagrees with the Treasury Department, the man can not get his permit.

Mr. COLTON. In effect it means a veto by the Attorney General.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes; I yield.

Mr. CRAMTON. I think it should be made clear that the pending amendment does not relate to the issuance of permits. It relates to the framing of the regulations that would govern the issuance of permits. The issuance of permits is governed by another section.

Mr. EDWARDS. These permits have to be issued under certain regulations. The placing of it under the Attorney General doubly checks this proposition, and at all times permits the Attorney General's office to keep an eye on what is going on, and unquestionably if the permits are granted, they have first to go through the Attorney General's office.

Mr. WILLIAM E. HULL. In other words, he can veto it.

Mr. HUDSON. Mr. Chairman, let us have the amendment read again.

Mr. COLTON. I do not want this taken out of my time.

Mr. McSWAIN. Mr. Chairman, I ask unanimous consent that the amendment may be again reported, not to be taken out of the time of the gentleman from Utah.

The CHAIRMAN. Is there objection?

There was no objection; and the Clerk again reported the Gasque amendment.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman from Utah yield to me for a moment?

Mr. COLTON. Certainly; I yield to the gentleman.

Mr. WILLIAMSON. I want to call the attention of the committee to page 7 of the report filed with the bill. You will find

the minority amendment there, under the minority views, at the bottom of the page.

Mr. COLTON. Mr. Chairman, I do not think there is any dispute about the meaning of the amendment offered by the gentleman from South Carolina [Mr. GASQUE]. It provides plainly that the regulations pertaining to industrial alcohol and all regulations pertaining to the prohibition law shall be written by the Attorney General; whereas the bill, as amended by the committee, would simply provide that in the issuance of industrial-alcohol permits the regulations shall be prescribed jointly by the Secretary of the Treasury and the Attorney General, and that the Attorney General shall have the sole right to issue regulations under all other provisions of the prohibition act. The enforcement provisions of the prohibition law are solely under the direction of the Attorney General.

Mr. GASQUE. Will the gentleman explain to the Members of the House why the insistence on giving this joint power?

Mr. COLTON. Because, if you are going to give to the Secretary of the Treasury any duty to perform, we should be consistent and let him write the rules and regulations under which that duty shall be carried out. They jointly prescribe the rules for alcohol permits in order that the Attorney General may have a check on them.

Mr. GASQUE. Then why add the Secretary of the Treasury?

Mr. COLTON. If I said "Attorney General," I made a mistake. I meant the Secretary of the Treasury.

The Attorney General, in commenting upon this proposed amendment, uses this language:

The very extraordinary expedient of excluding the Secretary of the Treasury from any voice in making the regulations that are to control the administration of permits in his department is, in my opinion, not necessary. It has no precedent, and for administrative reasons is unsound.

I believe that this amendment is offered in good faith, but it is confusing, and it defeats the very purpose for which it is intended. It will produce "confusion worse confounded." You are giving to the Attorney General administrative duties that he does not ask for. It is unsound, as he says, and it has no precedent in legislation. I believe that my dry friends are being misled by those seeking to muddy the waters when they try to give the Attorney General authority to solely make the rules for the industrial-alcohol provisions of the prohibition law.

Mr. YON. Why the necessity of changing one part of the prohibition enforcement? Why not turn it all over to the Attorney General?

Mr. COLTON. When it comes to enforcement of the prohibition law, there should be no division. The issuance of permits for industrial alcohol, however, is a fiscal matter and should therefore be in the hands of the Treasury Department.

Mr. WILLIAMSON. Mr. Chairman, I move that all debate on the section and all amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. EDWARDS. Mr. Chairman, we are making an earnest endeavor to make this law more effective and more certain of enforcement. I am for the bill with or without the Gasque amendment, but think the adoption of this amendment will improve the bill and make of it a much better piece of legislation.

Statements have been made that the amendment of the gentleman from South Carolina [Mr. GASQUE] needs to be clarified. The gentleman from Utah [Mr. COLTON] says it "muddies the water." The complaints against the enforcement of this law, as we all know, come from the fact that there have been leakages of industrial alcohol through Treasury Department enforcement. The sentiment of the country is in favor of taking it out of the Treasury Department, root, branch, and all, and of putting it in the Department of Justice, where it belongs. The country has confidence in the Attorney General and in his intentions to enforce this law. That can not be said of the Treasury Department.

Mr. COLTON. Do you understand that this section, which deals with industrial alcohol, should be out of the Treasury Department, the business department of the Government, and given over to the Department of Justice?

Mr. EDWARDS. Yes. It can be kept track of in the Department of Justice, and will lead to better enforcement. The Department of Justice can keep a check on it.

Mr. SANDLIN. You want a "check" and a "double check," as Amos 'n' Andy would say. [Laughter.]

Mr. EDWARDS. Replying in the language of that pair, I would say "sho, sho." This is a simple proposition. It is a question as to which department we want to handle it. If we want an enforcement which will give the country what the sentiment of the country demands, let us place it in the Department of Justice, which the drys and the country generally have confidence in.

Let us stop these alleged leaks in the Treasury Department. The amendment offered by the gentleman from South Carolina [Mr. GASQUE] is perfectly clear. We all understand it. The argument of the gentleman from Utah [Mr. COLTON] that it is confusing is not sound. There is nothing confusing about it. The question is whether the matter should be left where it now is or placed in the Department of Justice, where it belongs. The President recommended that it go there and the dry sentiment of the House and of the country is in favor of its going there. Why not go the whole limit? We should not put a part of this under the control of the Department of Justice and leave a part of its administration under the Treasury Department.

If we want to do what the people think ought to be done and what I am sure the House feels should be done we should adopt the amendment offered by Mr. GASQUE and place the dry-law enforcement under the Department of Justice, where we believe a real enforcement will be had. Divided responsibility in dual authority of two departments will bring about conflicts. The Department of Justice should have the authority and be charged solely with the responsibility.

Mr. HUDSON. Will the gentleman yield?

Mr. EDWARDS. Yes.

Mr. HUDSON. The gentleman has confidence in the Attorney General, because he wants to put all of this in his department, does he not?

Mr. EDWARDS. Yes.

Mr. HUDSON. Then he must have confidence in the Attorney General's statement that the bill as written by the committee is what he wants.

Mr. EDWARDS. I do not so understand it. I am for the bill. This amendment will strengthen it. I want the Attorney General's office to administer this law so it can be more certainly enforced. Why not give the Department of Justice full authority over the whole thing? If we are going to put one part of the enforcement in the Department of Justice we ought to put the whole thing in that department and not have a dual management. There should be no divided responsibility, and if we see fit to place the entire responsibility upon the Department of Justice, the Attorney General will accept it and he will make an honest effort to enforce it. We know that and the whole country knows it.

I believe there is an earnest sentiment in this House for an honest and impartial effort at law enforcement all down the line, and I believe the Department of Justice will give such enforcement.

Mr. HUDSON. Will the gentleman yield again?

Mr. EDWARDS. With pleasure.

Mr. HUDSON. Did not the gentleman hear the gentleman from Utah read the statement of the Attorney General?

Mr. EDWARDS. But I do not understand that related to this particular phase of the question.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. EDWARDS. Yes.

Mr. BRAND of Georgia. May not the gentleman [Mr. COLTON] who has quoted the Attorney General be speaking the wish of Mr. Mellon, the Secretary of the Treasury, when he makes that statement?

Mr. EDWARDS. Well, I would not say that exactly, because the letter, of course, speaks for itself. I know the gentleman from Georgia [Mr. BRAND] is heartily in favor of strict law enforcement, and I agree with him we should do all possible to make this law more effective and more certain of enforcement.

Mr. BRAND of Georgia. I will ask the gentleman another question, then. The gentleman from Utah says the Attorney General does not want it in his control and within his jurisdiction. Is not the gentleman of the opinion that Mr. Mellon wants it in his control?

Mr. EDWARDS. I rather think so. I think he is reluctant to give it up. The question is now up to us as to what we think about it; and I agree with the gentleman from Georgia [Mr. BRAND] and all other friends of law enforcement that the whole question of prohibition enforcement should be transferred to the Department of Justice.

Mr. COLTON. The Attorney General makes no statement with reference to industrial alcohol. It is the proposition with reference to the making of regulations that he is opposed to.

Mr. EDWARDS. My view is the Department of Justice should fix the regulations under which the permits might be issued and keep a close check on it.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. SCHAFFER of Wisconsin. Mr. Chairman and members of the committee, I rise in support of the minority committee amendment offered by my colleague [Mr. GASQUE]. I respect-

fully want to call to the attention of the so-called dries of this House that this is not a wet and dry proposition. As one who is opposed to prohibition, I want to give you an opportunity of fully demonstrating whether it can be enforced, and that is the primary reason why I am supporting this minority report.

Let us see what my colleague from Utah [Mr. COLTON] talks about when urging his views particularly on the dries of this House. Let us look at what Mrs. Willebrandt said in a syndicated article appearing in the Milwaukee Journal of Saturday, August 10, 1929, chapter 6:

In my honest judgment, the greatest single source of liquor supply to-day is alcohol diverted illegally from concerns bearing the stamp of respectability in the form of a Government permit.

In my legal opinion, the regulations issued by the Treasury Department could be so drawn as to drive these "cover houses" practically out of business. To do it would, however, mean standing firm against a tremendous lot of pounding from the organized drive of thousands of permittees with heavy political influence. I know this, because repeatedly my office has recommended legal changes in the regulations.

Carefully consider, members of the committee, how you can best enforce these prohibition laws while they remain upon the statute books.

Now, my good friend from Utah [Mr. COLTON] stated, in substance, that the writing of the minority amendment into the bill would be a reflection on the Secretary of the Treasury. Let me state that we are not writing this bill for the present Secretary of the Treasury or the present Attorney General.

It is also written for those who may come after both of them, and I direct that portion of my remarks also to my distinguished colleague [Mr. GASQUE] who submitted the pending amendment, which I favor.

Mr. Speaker, the argument of the gentleman from Utah is unsound. If he is opposing the pending amendment which is before us because it muzzles and reflects on the Secretary of the Treasury, then, following his own position, he must necessarily oppose the section of the bill which he approves in the majority report, because with that amendment he is giving the Attorney General the authority, as he has stated on the floor, to take part in writing these regulations and even authority to veto them. So that point in his argument is without any real justifiable grounds.

Mr. Speaker, the members of the Expenditures Committee, including the gentleman from Utah, who signed the majority report clearly indicated that they favored the principle as embodied in the amendment now under consideration, and I will again refer you to page 2 of said majority report. The members of the Expenditures Committee who have taken the floor in opposition to the pending amendment signed that report, and it contains this language on page 2, which is one of the strongest arguments in favor of the pending amendment:

Division of authority, duties, and responsibilities is not conducive to the best results where a specific end is sought. This is especially true where the object in view is law enforcement. Simplicity of procedure, unity of direction, and definite responsibility for results are greatly in the interest of efficiency and certainty. Not until authority and responsibility for the enforcement of prohibition are centered in one head can there be a real test of the mooted question "Can prohibition be enforced?" Upon that there now seems to be common agreement by both wets and dries. Such unity and cohesion of purpose is what this bill seeks to bring about.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. DALLINGER. Mr. Chairman, I move to strike out the last line.

The CHAIRMAN. The gentleman from Massachusetts is recognized for five minutes.

Mr. DALLINGER. Mr. Chairman, as I stated yesterday, this bill comes before the House as the result of a recommendation made to the Congress by the President of the United States. That portion of his message which related to this matter was referred to the Committee on Expenditures in the Executive Departments. Our committee had hearings upon that portion of the President's message, and as far as I know everyone who desired to be heard was heard. The committee gave this matter very careful consideration, and the bill that was originally introduced by the chairman of the committee contained the provision that the regulations under the prohibition act should be made jointly by the Secretary of the Treasury and by the Attorney General. That provision was written into the bill with the approval of both of those great departments of the Government.

Now, there are two extreme views in regard to this proposed change. One extreme would leave the entire matter of prohibition enforcement including the granting of permits for the

use of industrial and medicinal alcohol entirely in the Treasury Department, where it is now; while the other extreme would transfer it entirely to the Department of Justice. Now, there are certain permissive features of the prohibition laws which properly belong to the Treasury Department and which have no place whatever in the Department of Justice.

The Attorney General and the Secretary of the Treasury were both before our committee, and the section as now reported by the committee in the bill—I refer to section 5—represents the best judgment of both of these departments. The Attorney General told the committee that he was willing to take the responsibility for enforcing the prohibition act and that this section as it appears in the bill reported by the committee is satisfactory to him and that under the bill as reported he has all the power necessary to enable him to carry out the provisions of the prohibition act and to enforce the penal provisions thereof.

You have listened to the letter read by the gentleman from Utah from the Attorney General himself opposing the amendment that is now before this committee as unnecessary, unprecedented, and unsound. Now, Mr. Chairman, if the Attorney General of the United States, in whom all these gentlemen who have spoken profess to have the greatest confidence, says that this bill as reported by the committee gives him every power necessary to enforce the prohibition act and that he is utterly opposed to the amendment proposed, why not take him at his word and follow his advice? It seems to me there is nothing else for this House to do but to vote down the amendment of the gentleman from South Carolina. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired; all time has expired. The question is on the amendment offered by the gentleman from South Carolina [Mr. GASQUE].

The question was taken; and on a division (demanded by Mr. GASQUE) there were—ayes 47, noes 145.

So the amendment was rejected.

Mr. TEMPLE. Mr. Chairman, I offer an amendment, and inasmuch as all time has expired, I ask unanimous consent to be permitted to proceed for two minutes.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendments offered by Mr. TEMPLE: Page 6, line 5, after the word "thereafter," strike out the semicolon and insert the following: "Unless prescribed and issued in accordance with the provisions of paragraph (a) of this section."

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. TEMPLE. Mr. Chairman, as the language now stands in the bill it reads:

Regulations in force prior to the effective date of this act shall not be in force thereafter—

It is possible this might be interpreted as forbidding the Secretary of the Treasury and the Attorney General in revising the regulations to reissue any provision now in force. The language might be so interpreted, for it provides that the regulations now in force shall not be in force after this bill goes into effect. I propose to insert—

unless prescribed and issued in accordance with the provisions of paragraph (a) of this section.

So that there may be no doubt of their authority to retain any of the present regulations, if they wish to do so, and they will probably wish to retain most of them substantially as they are.

Mr. WILLIAMSON. I am not against the amendment of the gentleman from Pennsylvania.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. COCHRAN of Missouri. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. COCHRAN of Missouri: Page 5, line 22, strike out "Attorney General and the," and in line 23, strike out the word "jointly."

Mr. COCHRAN of Missouri. Mr. Chairman, debate having been ordered closed, I ask unanimous consent to proceed for one-half minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Chairman, this is the amendment I referred to a few minutes ago. It is in order now that the amendment of the gentleman from South Carolina [Mr. GASQUE] was voted down. It gives the Secretary of the Treasury the right to prescribe the regulations in reference to that part of the law which he is to administer and extends to the Attorney General the right to prescribe the regulations in reference to the enforcement end of the law.

Mr. WILLIAMSON. And takes it away from the Attorney General.

Mr. COCHRAN of Missouri. As far as the permits are concerned, with the exception as shown in subdivision (b) of section 4. If there is a violation of the law or if the Attorney General has information that leads him to feel that the law is being violated, he has full power under section 4 to make all the investigations he desires; and in such cases no one contends he should not have that power. Certainly I do not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The amendment was rejected.

The Clerk read as follows:

SEC. 6. (a) The Attorney General and the Secretary of the Treasury shall jointly prescribe regulations for the filing by the Attorney General with the Secretary of the Treasury of copies of reports of violations of the national prohibition act, from which civil liability for taxes and penalties has accrued under such act or the internal revenue laws, or which may be the basis of action with respect to any permit.

(b) Except as otherwise provided by regulations, the Secretary of the Treasury shall file with the Attorney General complete reports of all proceedings for revocation of permits and copies of all applications for permits (including renewals and amendments of permits) under the national prohibition act and regulations promulgated thereunder; and, except as otherwise provided by regulations, no such permit shall be granted within 10 days after copy of application therefor has been filed with the Attorney General.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 6, in line 11, strike out "and the Secretary of the Treasury," and after the word "shall," in line 12, strike out the word "jointly"; in line 14, after the word "Treasury," strike out the word "of."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 6, in line 22, after the word "permits," insert "to be issued for more than 90 days"; and in line 24, strike out the words "of permits" and insert in lieu thereof "thereof to extend for more than 90 days"; and on page 7, in line 2, after the word "granted," insert "renewed, or amended."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 7. The Attorney General may, if he considers it advisable, act jointly with the Secretary of the Treasury in passing upon any such application, and in such cases no permit shall be granted without their joint approval. In the event of a refusal of the permit, the applicant may have a review of the decision before a court of equity, as provided in sections 5 and 6, title 2, of the national prohibition act (U. S. C., title 27, secs. 14 and 16).

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 7, line 7, after the word "any," strike out the word "such," and after the word "application" insert "for any permit or any renewal or amendment thereof, which may be issued under the national prohibition act"; in line 10, after the word "granted," insert "renewed, or amended"; in line 11, after the word "permit," insert "renewal, or amendment."

The committee amendment was agreed to.

Mr. GASQUE. Mr. Chairman, I offer the following amendment to page 7, lines 5 and 6.

The Clerk read as follows:

On page 7, lines 5 and 6, strike out the words "if he considers it advisable" and insert the word "shall."

Mr. GASQUE. Mr. Chairman, I want to say that if this committee supports the bill sponsored by the majority of the committee they will agree to this amendment. Why give the Attor-

ney General something to dodge behind and say, "I did not have anything to do with that; I left it to the Secretary of the Treasury."

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. GASQUE. I yield.

Mr. MOORE of Virginia. As I understand, the gentleman says by section 5 authority to make regulations is vested in two departments. The gentleman's view of it is, if that be done why the authority to issue the permits should not be jointly exercised?

Mr. GASQUE. Absolutely.

Mr. WILLIAMSON. For fear the importance of this proposed amendment will not be seen, let me say that there are thousands of permits issued by the Secretary of the Treasury—between 155,000 and 160,000—and as to nearly 90 per cent of those there is no question; they are complying with the law. Under the bill as now written by joint regulation they will segregate those, and the Attorney General will have no voice in determining whether the permits shall be granted. It would be an absurdity to require the Attorney General, by using the word "shall," to examine into every application of 165,000 permits, when as a matter of fact there would be no necessity for it.

Mr. GASQUE. But does the gentleman know that there will not be others that need examination?

Mr. WILLIAMSON. If there is any reason to suspect an applicant, the Attorney General can, under the bill, make the investigation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken, and the amendment was rejected.

Mr. WILLIAM E. HULL. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Amendment by Mr. WILLIAM E. HULL: Strike out all of section 7 and insert in lieu thereof the following:

"The Attorney General shall, without delay, upon receipt of copies of reports of proceedings for revocation of permits and copies of applications for permits, furnish the Secretary of the Treasury with any information which he may have as the result of the investigation of his office concerning the applicant for such permit or concerning such permittee. The Attorney General may through his designated attorneys or officers appear in any revocation proceedings to prosecute such proceeding before the designate of the Commissioner of Prohibition. In the event of a refusal of the permit, renewal, or amendment, the applicant may have a review of the decision before a court of equity as provided in sections 5 and 6, title 2, of the national prohibition act (U. S. C., title 27, secs. 14 and 16)."

Mr. WILLIAMSON. Mr. Chairman, I make the point of order that the amendment is not germane to this section of the bill.

The CHAIRMAN. The gentleman from South Dakota makes the point of order that the amendment is not germane.

Mr. WILLIAM E. HULL. I will not argue it if you want to knock it out.

Mr. WILLIAMSON. I think, Mr. Chairman, it is patent on its face that it is not germane, for it injects into the section new matter.

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLANCY. What became of my amendment to section 7?

The CHAIRMAN. The Chair understands that a motion was agreed to, made by the gentleman from South Dakota, that 15 minutes' debate remained, and during that time the gentleman from Michigan might offer an amendment. The Chair stated to the gentleman from Michigan that he could present it by asking unanimous consent.

Mr. CLANCY. That agreement as to limit of time was in reference to section 5.

Mr. STAFFORD. There has been no limit to debate on this section.

Mr. CLANCY. My amendment was with reference to section 7, and I sent it to the Clerk's desk.

The CHAIRMAN. The gentleman should have offered the amendment from the floor. It is not sufficient to send it to the desk without offering it from the floor. The Chair is informed that there is no amendment with reference to section 7 at the desk.

Mr. CLANCY. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CLANCY. Mr. Chairman, in that minute I wish to make it clear that on the hotly disputed point of hearings it is now clear there were no adequate hearings by the committee. I

have the hearings report in my hand, and it shows the only business people heard were the retail druggists. The oil people, the automobile people, the wholesale drug people, the paint people, or the toilet preparations people did not come in.

Answering the attacks upon me by the gentleman from Wisconsin [Mr. SCHAFER], he resented my efforts to change the bill and make it more satisfactory to business. The gentleman was just bushwhacking. He now makes an attack on the bill and tries to make it more vicious than it is. He aims to give the Justice Department even more police and meddling powers. He is an ultra-wet aiding ultra-drys. I am voting against the amendment he favors.

A lot of this animus is against Mr. Mellon, but the House should remember that practically all of these Treasury regulations under which Mr. Mellon is working were made by former Secretary of the Treasury CARTER GLASS and by former Collector of Internal Revenue Daniel C. Roper, both of them bone dry.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Illinois [Mr. HULL] offers an amendment to section 7 in the following language:

Strike out all of section 7 and insert in lieu thereof the following:

"The Attorney General shall, without delay, upon receipt of copies of reports of proceedings for revocation of permits and copies of applications for permits, furnish the Secretary of the Treasury with any information which he may have as the result of the investigation of his office concerning the applicant for such permit or concerning such permittee. The Attorney General may, through his designated attorneys or officers, appear in any revocation proceedings to prosecute such proceedings before the designate of the Commissioner of Prohibition. In the event of a refusal of the permit, renewal, or amendment the applicant may have a review of the decision before a court of equity as provided in sections 5 and 6, title 2, of the national prohibition act (U. S. C., title 27, secs. 14 and 16)."

It appears to the Chair that the amendment offered by the gentleman from Illinois is germane and is a proper amendment to the bill, if adopted. The Chair overrules the point of order.

Mr. WILLIAM E. HULL. Mr. Chairman and gentlemen, this amendment is offered from a business man's standpoint. There is no prohibition connected with it. It is intended to take care of the business interests of the country. If any of you gentlemen were a large dealer and were buying an average of a carload of alcohol a week, certainly you would not want to be put in the position where your permit might be revoked at the behest of some man who is not posted on the business side of this proposition. You gentlemen all know as lawyers, and a great many of you are lawyers, that lawyers take a different view of a business proposition than do business men. If this amendment is not agreed to, I say to you that all that a snooper has to do, a man paid only \$1,800 a year, is to go out and find some trivial violation of the law against some man who is buying a carload of alcohol a week and using it legitimately, and then bring that matter into the Attorney General's office, where they can if they so decide stop that man from getting any more alcohol and thus ruin his business. If you vote this down, the effect will be to damage and, in some cases, destroy business such as I have indicated. I propose my amendment for the reason that it gives the Secretary of the Treasury, who has the machinery, who knows what the alcohol business is, who knows who the people are that are violating the law and those who are not, the power to act in this matter. He is surely as honest as the Attorney General.

This would turn the thing around and let the Secretary of the Treasury decide on the business part, and then it would be the duty of the Attorney General, if he wants to stop a permit, to stop it, but we should not allow the Attorney General or the people in his office to ruin large business interests, as this will, if you do not agree to this amendment. I think the House does not appreciate the importance of this, because all of us who know the business, know the great difficulties everybody has had under the prohibition act to get supplies, and I entreat this House not to go too far, but to give the business interests at least an opportunity to protect themselves for their future supplies. I am not doing this from any ulterior motive. I am doing it for the business interests of the country and for no other purpose.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. WILLIAM E. HULL. Yes.

Mr. CRAMTON. The gentleman appears to overlook the fact that the bill preserves the right of appeal to the courts.

Mr. WILLIAM E. HULL. I do not overlook that fact. I say that the minute you put the business man in a position where he must appeal, you ruin his business. This amendment turns it around and gives the Attorney General the power to stop the permit if he is guilty.

Mr. CRAMTON. Is the gentleman aware that under the present law appeals have been taken and have been sustained by the courts in New York and Pennsylvania, as I recall, as to permits involving some 700,000 gallons?

Mr. WILLIAM E. HULL. I understand that, but if the gentleman were in business he would not want to be put in a position where he would have to go to the courts to get the supplies to run his business.

Mr. CRAMTON. It is my understanding that the legitimate business men are not complaining of the present situation.

Mr. WILLIAM E. HULL. I beg the gentleman's pardon. Legitimate business men are the ones who are complaining and I have 30 telegrams in my office right now.

Mr. CLARKE of New York. And I will file some others to supplement those.

Mr. WILLIAMSON. Mr. Chairman, I call the attention of the committee to the fact that this amendment if adopted will result in exactly the opposite of what the gentleman from Illinois thinks it will. It provides:

The Attorney General shall, without delay, upon receipt of copies of reports of proceedings for revocation of permits and copies of applications for permits, furnish the Secretary of the Treasury with any information which he may have as the result of the investigation of his office concerning the applicant for such permit or concerning such permittee. The Attorney General may through his designated attorneys or officers appear in any revocation proceedings to prosecute such proceeding before the designate of the Commissioner of Prohibition. In the event of a refusal of the permit, renewal, or amendment, the applicant may have a review of the decision before a court of equity, as provided in sections 5 and 6, title 2, of the national prohibition act (U. S. C., title 27, secs. 14 and 16).

Under the bill we give the Attorney General 10 days within which to make that investigation. The gentleman's amendment changes that language and says that he must immediately furnish the information. The only recourse the Attorney General will have under the language carried in the gentleman's amendment will be to refuse approval of the application for lack of time to investigate the character of the applicant, and that will end the matter. It is going to result in scores and hundreds of permittees failing to get their permits, because the Attorney General would be compelled to decide the question immediately. For that reason, if for no other, and for the protection of these very permittees, the gentleman's amendment should be voted down.

Mr. WILLIAM E. HULL. Let me ask the gentleman a question. If the gentleman were in the wholesale drug business conducting a legitimate business, and asked the Secretary of the Treasury to give him a permit and he was willing to do it because he knew the gentleman was a legitimate business man, and the Attorney General would say to the Secretary of the Treasury, "I want to stop that man from getting a permit," would the gentleman think that would be fair to him?

Mr. WILLIAMSON. Probably not, but the Attorney General, under the gentleman's amendment, would be compelled in self-defense to disapprove of the applications sent to him, because he would not have an opportunity to investigate. The gentleman overlooks other provisions in the bill which give him a veto power on the issuance of permits.

Mr. WILLIAM E. HULL. That is exactly what my amendment does. It turns it around, and gives the permit system first to the Treasury, and gives the Attorney General the right if the Treasury does grant a permit that is not correct, to stop it, but it does not give the Attorney General the right to go into a man's business and ruin it.

Mr. WILLIAMSON. Mr. Chairman, whatever the gentleman intends, his language does not carry out his meaning. I say to the gentleman from Illinois that the supplemental permits to which he has reference can be taken care of under the bill without a moment's delay. The Attorney General does not touch these. Here the gentleman is offering an amendment which will result in the opposite of what he wants done.

Mr. WILLIAM E. HULL. There is nothing about supplementary permits in my amendment at all. What I want is to have general business taken care of. The supplemental permits have nothing to do with it.

Mr. WILLIAMSON. I fear the gentleman is offering this amendment without having had the time to study the prohibition law and its relation to this bill. The whole permit structure must be considered, and when considered I feel confident that the amendment offered will do business using alcohol more harm than good.

Mr. CRAMTON. Mr. Chairman, I move to strike out the last word. I initiated the legislation two or three years ago that resulted in the creation of the present Bureau of Prohibition.

tion. I recall very well that the passage of that legislation was fought for two years by these same business interests that are now protesting. They were afraid of a change, but the Congress made the change and they all now testify they are better off than before the change. They are just naturally afraid of a change. They are afraid they are going to be hurt, when, as a matter of fact, they are not going to be hurt.

As to this legislation and the general program of prohibition enforcement legislation asked by the President, I insert the following statement of the attitude of the National Conference of Organizations Supporting the Eighteenth Amendment:

**THE NATIONAL CONFERENCE OF ORGANIZATIONS
SUPPORTING THE EIGHTEENTH AMENDMENT,
Washington, D. C., February 1, 1930.**

To the Congress:

The National Conference of Organizations Supporting the Eighteenth Amendment, consisting of the organizations listed on the reverse side of this letterhead, at its annual meeting on December 11 and 12, 1929, unanimously adopted the following resolutions in favor of pending legislative proposals:

"The President of the United States has presented in his annual message to Congress certain proposals for reorganization of the agencies of prohibition enforcement, including the transfer from the Treasury Department to the Department of Justice of certain activities connected with prohibition enforcement, which he recommends be made effective through legislation. We respectfully represent that the President, primarily charged with the responsibility of successful enforcement, should be given all legislation necessary to make his policies effective. We hereby voice our confidence in him, and pledge him our unqualified support in his program for prohibition enforcement.

"The national conference also declared for adequate legislation for the enforcement of prohibition in the District of Columbia, as emphasized by the President."

Since the meeting of the national conference the President has recommended to Congress additional legislative measures. The indorsement by the National Conference of these later recommendations is given through the declaration "that the President, primarily charged with the responsibility of successful enforcement, should be given all legislation necessary to make his policies effective."

The committee on legislation of the national conference has requested that the resolution adopted by the conference be submitted to the Congress. This committee is composed of the Washington representatives of the following organizations: Anti-Saloon League of America; Association in Support of National Prohibition; Board of Temperance, Prohibition, and Public Morals of the Methodist Episcopal Church; Board of Temperance and Social Service of the Methodist Episcopal Church South; Committee on Promotion of Temperance Legislation in Congress; Flying Squadron Foundation; International Order of Good Templars; International Reform Federation; National Woman's Christian Temperance Union.

Respectfully submitted for the national conference.

EDWIN C. DINWIDDIE, *Secretary.*

The National Conference of Organizations Supporting the Eighteenth Amendment includes the following organizations:

COOPERATING ORGANIZATIONS

Alcohol Information Committee; Anti-Saloon League of America; Association of Catholics Favoring Prohibition; Association in Support of National Prohibition; Board of Temperance, Prohibition, and Public Morals of the Methodist Episcopal Church; Board of Temperance and Social Service of the Methodist Episcopal Church South; Board of Temperance and Social Welfare of the Disciples of Christ; Catholic Clergy Prohibition League; Commission on Law Enforcement of the Congregational Church; Commission on Social Service of the Southern Baptist Convention; Committee on Promotion of Temperance Legislation in Congress; Department of Moral Welfare of the Board of Christian Education of the Presbyterian Church in the United States of America; Department of Social Service of the United Presbyterian Church; Department of Social Service of the Universalist Church; Flying Squadron Foundation; Friends' Board on Prohibition and Public Morals; International Order of Good Templars; International Reform Federation; International Society of Christian Endeavor; National Civic League; National Division of the Sons of Temperance of North America; National Reform Association; National Temperance Society; National United Committee for Law Enforcement; National Woman's Christian Temperance Union; Prohibition National Committee; Scientific Temperance Federation; Social Service Division of the American Baptist Home Mission Society; Temperance Committee of the Reformed Presbyterian Church; Unitarian Temperance Society.

Mr. HUDSON. Mr. Chairman, I rise in opposition to the pro forma amendment. We have been discussing the policies of the department in the handling and regulation of permits. To-day Doctor Doran has placed in my hands a complete statement of the policy the Government is following in the handling of per-

mits of legitimate business. I ask unanimous consent to extend my remarks by including this statement.

The CHAIRMAN. Is there objection?

There was no objection.

The statement is as follows:

Government supervision of the manufacture, storage, distribution, sale, and use of alcohol for scientific and industrial purposes is a major phase of the permissive system set up under the national prohibition act.

The Bureau of Prohibition here deals with an essentially scientific and technical problem. It is not in any sense a criminal administration. But that fact is recognized by few outside technical and industrial fields of activity.

Congress, in enacting the law to enforce the provisions of the eighteenth amendment, specified that industry should have an "ample" supply of alcohol. Congress recognized the vital dependence of industry upon a steady flow of alcohol for use in the manufacture of thousands of products that are every-day necessities.

The purpose is to set forth salient facts on the subject. A review of these facts will enable the reader to appreciate more fully the scope of the Government's supervision and control of alcohol as a chemical raw material.

Congress 23 years ago passed the denatured alcohol act providing for the withdrawal of alcohol, free of Government tax, when denatured with materials rendering it unfit for beverage use.

By lifting the Federal tax on alcohol for industrial purposes Congress thus enabled the American chemical industry to surpass many other industries in its achievements.

The use of industrial alcohol in the United States has increased from 1,000,000 gallons a year in 1906, when the Federal tax was removed, to more than 100,000,000 gallons a year at the present time.

Denatured alcohol is not intended for any internal medicinal or food use. Pure alcohol for internal medicinal or food use must be tax paid.

Congress imposed upon prohibition administrative officials the duty "to place the nonbeverage alcohol industry and other industries using such alcohol as a chemical raw material, or for other lawful purposes, upon the highest possible plane of scientific and commercial efficiency consistent with the interests of the Government."

The Bureau of Prohibition, as made clear by Congress, is charged with these duties:

1. To make industrial alcohol unfit for use as an intoxicating beverage.

2. To make an ample supply of such alcohol available to industry.

The denaturant in industrial alcohol must have these characteristics:

1. In its original mixture the denatured alcohol shall be unfit for beverage purposes.

2. The denaturant shall be such that it can not be removed from the mixture and the treated product made fit for beverage purposes without great difficulty.

3. The denaturant shall not interfere with the use of alcohol for industrial purposes.

Denatured alcohol is ethyl alcohol to which has been added such denaturing materials as render the alcohol unfit for use as an intoxicating beverage. It is free of tax and is solely for use in the arts and industries.

There are two kinds of denatured alcohol:

1. Completely denatured alcohol.

2. Specially denatured alcohol.

(a) Completely denatured alcohol is ethyl alcohol treated with various substances, according to two existing formulas. After denaturation it may be sold and used within certain limitations without permit and bond. It can not be used internally.

(b) Specially denatured alcohol is ethyl alcohol so treated with denaturants as to permit its use in a greater number of specialized arts and industries than is possible in the case of completely denatured alcohol. The character of specially denatured alcohol is such that it may be sold, possessed, and used only pursuant to permit and bond.

The method adopted by Congress in 1906, and reiterated in the national prohibition act, requires that methyl or wood alcohol (now known as "methanol") or other suitable denaturing materials be added to alcohol intended for use in the arts and industries so as to render it unfit for beverage purposes.

The national prohibition act employed a slightly different wording than the original act of 1906 by merely stating that the alcohol withdrawn for industrial use should be denatured by the addition of such materials as would render it unfit for use as an intoxicating beverage.

Many factors bearing on the problem require extended scientific investigation. For example, the denaturing substances employed in completely denatured alcohol must be of such a nature as to remain with the alcohol under the most severe manipulative treatment. The substances must be noncorrosive and, in the quantity used, nontoxic, and the compounded formula must be suitable for lawful industrial use.

There is a misapprehension in the public mind as to the underlying reasons for the use of the denaturing grade of methanol.

The denaturing grade of methanol is used because of its distinctive odorous substances, commonly designated as pyroigneous compounds, which can be easily detected by the individual as a mixture or liquid with a disagreeable odor and taste, wholly unfit for consumption.

Every well-informed chemist knows that the long-continued use of methanol by all countries is based on sound scientific principles.

Being closely related chemically to ethyl alcohol (ethanol), having a boiling point only slightly below that of ethyl alcohol and having the physical properties closely resembling ethyl alcohol, it is a substance that can not easily be removed.

The fact that methanol forms constant boiling point mixtures with ethyl alcohol, and if redistillation is attempted, carries over with it in the distillate these odorous pyroigneous compounds, discloses the chief reason for its world-wide use as a basic denaturing agent.

The passage of the national prohibition act was coincident with the development of a large and varied chemical industry in the United States.

The further development of formulas for specialized industries enabled these industries to maintain themselves through the period of adjustment incident to the inauguration of national prohibition.

The special formulas were designed primarily for particular industries. Due consideration was given to the chemical and commercial factors making for efficient production.

For example, in the artificial-silk industry one of the principal grades is nitrosilk, which is a colloidal solution of nitrocellulose in an alcohol-ether mixture. In this case the denaturant employed is ether. Its use not only renders the alcohol unfit for beverage purposes, but gives a mixture which meets every scientific and manufacturing requirement.

Another example of the application of specialized formulas is the addition of a basic perfume material to the alcohol designed and intended for the perfumery and toilet-water trade.

This substance, known chemically as "diethylphthalate," when added to the alcohol renders it extremely bitter and distasteful. The chemical is odorless, and is a logical component of complex perfume mixtures.

In the development of these specialized formulas it has been the effort of the department, in cooperation with the industries concerned, to devise formulas that will render the alcohol unfit for beverage purposes and yet enable the industry to employ the material in the most efficient way.

There are 68 specialized formulas. Half of them were authorized prior to 1920. None of these mixtures are available to the public and are only procurable under the permit system in effect since 1906.

The express intent of the act is that completely denatured formulas be available for lawful purposes, such as domestic fuel and automobile antifreeze solutions. It is essential that the formulas be of such a nature as to render the alcohol not necessarily highly toxic, but objectionable and obnoxious when used as a beverage.

It is practically impossible to consume one of the treated concoctions without knowing that the liquid is unfit for consumption.

As a precaution against accidental use, the regulations require that completely denatured formulas in packages containing 5 gallons or less be sold under skull and crossbone label. Current scientific work of the department, therefore, is being directed with a view of strengthening these formulas, not by rendering them more toxic, but less potable.

Investigative work by the department has developed the suitability of certain complex oil compounds of an odorless and disagreeable nature which are nontoxic. These compounds, when used with a minimum quantity of methanol, will remain with the alcohol under manipulative treatment.

It is the aim of the department to protect and encourage the lawful use of industrial alcohol. Consequently much scientific work is being done on this subject in order that the public may have the maximum protection.

The present development of chemical industry in the United States and the fact that other countries are adopting some of our special methods is evidence of the constructive course pursued by the department. The present system of denaturation meets with the approval of those industries whose continued progress is essential to the public good.

A weak policy of denaturation would promote illegal operations. It would also lessen the protection afforded the public.

Industrial alcohol has become a most important factor in the scientific and industrial progress of the United States.

Without a large supply of industrial alcohol at a moderate cost it would not be possible to promote a great many of our essential industries.

Since the World War there has been a remarkable development along chemical manufacturing lines in the United States. To-day our industries consume more industrial alcohol than those of any other country.

There are now more than 25,000 users of industrial alcohol engaged in manufacturing.

Industrial alcohol is a necessary solvent in the manufacture of hundreds of drugs and medicinal preparations. It is the solvent used

in the preparation of flavoring extracts for household and manufacturing purposes.

In the manufacture of many synthetic chemical compounds used medicinally and in the arts and industries it is a solvent as well as a component part. It is employed in the manufacture and purification of many of the so-called "coal-tar" medicinal compounds. It is a necessary solvent in the manufacture of dyes.

It is an essential material for the manufacture of ethyl ether, both technical and anesthetic grades. It is a solvent for all kinds of varnishes, shellacs, paints, lacquers, and miscellaneous protective coverings.

Industrial alcohol, as such, and ethyl acetate, which is manufactured from alcohol, are widely used in the manufacture of lacquers which employ nitrated cotton as a base.

The entire automobile industry employs millions of gallons of these cotton lacquers.

Alcohol is used as an antifreeze agent in automobile radiators. It is also used as a cleaning fluid and as a sterilizer in hospitals.

One of the principal grades of artificial silk requires large quantities of alcohol and ether made from alcohol.

The few users of alcohol here mentioned merely illustrate its wide use in all of our industrial operations.

The Government, with the assistance of scientists and technologists of the industries concerned, after extensive research work selected the denaturants used for rendering industrial alcohol unfit for beverage purposes.

The denaturants are selected on account of certain technical and manufacturing requirements. Many of the denaturants add to the utility of industrial alcohol.

In the earlier years of prohibition a permit for the manufacture of industrial alcohol did not limit the manufacturer in his production.

As a result more alcohol was produced than needed for legitimate industry, thus making diversion of the surplus possible through thefts and other lawless acts.

After conference with the Department of Justice, about two years ago, the Bureau of Prohibition put into effect a quantitative control of the production of industrial alcohol.

This control policy provides only for known legitimate needs with reasonable commercial tolerance to obviate price manipulation.

The Government's method of inspection is very thorough. The danger of diversion to illicit channels has been greatly reduced.

A dishonest manufacturer who diverts specially denatured alcohol obtained on a Government permit is caught eventually by Government inspectors. He must then pay the penalty imposed for violation of the law.

Every manufacturer desiring to use specially denatured alcohol must file application for permit. Before such permit is granted a thorough investigation of the officers of the company is conducted.

Information regarding the product to be manufactured, the formula to be used, and the potential market for such a product must be furnished.

The Government endeavors to determine whether or not the business is legitimate. The plant is inspected by Government officers at regular intervals. They have access to the company's records at all times.

Permits are not granted until after satisfactory inquiry is made as to the character of business in which the prospective permittees were formerly engaged.

After applicants have satisfied the administrators that they are of good moral character, are financially responsible, have properly equipped places for conducting business, have provided safe storerooms for storing alcohol, have furnished satisfactory samples of finished products and formulas, have shown that there is a legitimate demand for the products they intend to manufacture, and have filed sufficient bonds to cover their alcohol withdrawals, permits are then granted.

When the national prohibition act became effective, 7 completely denatured-alcohol formulas and more than 30 specially denatured-alcohol formulas were authorized by the Treasury Department. These were being sold and used under regulations in effect at that time throughout the country.

In the early period of national prohibition no trouble was experienced with the diversion or illegal use of either completely denatured alcohol or specially denatured alcohol.

As prohibition enforcement became more effective it was more difficult for bootleggers to obtain genuine whisky. Consequently they turned to nonbeverage alcohol. This alcohol could be procured under permits for the manufacture of both external and internal alcoholic preparations.

Since pure alcohol can be easily diverted to beverage purposes without requiring any treatment, the policy of compelling the use of specially denatured alcohol in the manufacture of external preparations was inaugurated.

In order to divert specially denatured alcohol to beverage purposes it must be subjected to redistillation and, in some instances, chemical treatment so as to make it potable.

This policy was effective for a long period, and as it became increasingly difficult to obtain beverage liquors, bootleggers then turned to

completely and specially denatured alcohol for the source of their supply.

As soon as the Treasury Department learned of this development measures were adopted to shut off this new source of illicit liquor.

Diversions were reduced as a result of intensive experimental work in the bureau laboratory on denaturants for completely denatured alcohol.

The same policy was followed in regard to specially denatured alcohol when it became known that certain formulas or certain products manufactured with specially denatured alcohol were being used as a source of illegal liquor.

The present problem growing out of the diversion of industrial alcohol relates to the prevention of unlawful manipulation of products made from denatured alcohol.

Progress has been made in the past few years, and especially during the past six months, in checking alcohol diversions. Many questionable permittees have been put out of business.

There probably always will be some diversion and illicit manipulation of products made from denatured alcohol. But the total volume of such diversions is a small percentage of the total production of alcohol manufactured lawfully for legitimate commercial use.

Strengthening of safeguards in this field of permissive work is a constant endeavor of administrative officials. Greater caution which is being constantly exercised in the issuing of permits and the more effective prosecution of those who are found to be implicated in conspiracies to divert into illicit channels lawful products in the manufacture of which alcohol is an essential will tend to render the problem less difficult.

Marked success rewarded the day-by-day efforts of the Federal inspectors and investigators last year to drive alcohol diverters out of the ranks of individuals and firms holding Government permits to use alcohol for commercial purposes.

Several hundred individuals and firms were cut off of the Government permit list last year. The daily hunt for diverters continues with unceasing earnestness.

Critics, lacking facts as a basis for their fears, have greatly magnified the extent and danger of industrial-alcohol diversions. They are not aware of the reasons for these diversions. They lose sight of the fact that one of the principal sources of illicit alcohol in the hands of bootleggers to-day is corn sugar, the production of which has risen from 150,000,000 pounds in 1921 to 960,000,000 pounds the past year.

The truth is that out of a total of 106,960,458 wine gallons of alcohol produced legally in 1929 only a small percentage reached illicit channels through permittees. There is no known method of tracing the exact quantity that may have been diverted.

The bureau is constantly studying and devising new ways and means of reducing alcohol diversions.

The fact that there are alcohol diversions is not the result of laxity of administrative officers of the Government in enforcement of the regulations.

The chief handicap that faces Government administrative officials in stopping diversions is just this:

The law is that the Government can not trace industrial alcohol down the line of its varied uses beyond the first purchaser of alcoholic products manufactured by firms or individuals holding Government permits.

True enough, the Government has control over the use of alcohol by manufacturers licensed to make certain products, with alcohol as a raw material, and does require such manufacturers to furnish the Government with the name and address of the wholesale dealer or other dealer who buys his products ostensibly for lawful sale.

Existing law, as interpreted by the highest court decisions, is that the Government does not have the power to compel the first purchaser to disclose what disposition was made of his products.

There is nothing in the law to compel or make it possible for the Government to require these wholesale dealers or jobbers or other class of dealers in the group of original purchasers to operate under permits.

There are many of such original purchasers who have corporate names and under the law can not be compelled to show their books. Many of them have been, and are still, suspected of not disposing of their products, purchased from permittees, in a legal manner. Many permittees who are selling their products to first purchasers are operating under permits, restored by the courts, after their permits were previously revoked by prohibition administrators.

Many diverters will be caught and prosecuted. But the Government, lacking the power to require them to open their books and produce other records showing disposition of their products down the line to the ultimate consumer, makes it almost a superhuman task to detect them in violations, with abundant proof that will stand the test in court, in prosecutions for conspiracy or other violations of the prohibition laws.

It is clear, therefore, that as long as the Government is thus restricted by the explicit provisions of existing law against delving into dealers' records beyond the original purchaser, a certain minor quantity of industrial alcohol will continue to be classified as questionable.

The fact should not be lost sight of that a skilled chemist and technician can recover alcohol from almost any mixture, in which it is

lawfully used, provided he has the resources and facilities at his command.

The major effort of the Government is, and will continue to be, to stop alcohol leaks wherever it is humanly possible to stop them.

Gradual strengthening of the Government's policy of denaturing alcohol use through the elimination of those formulas which were being misused has been a major objective.

The records of recent years show the success of the bureau's efforts to eliminate dishonest permittees and thus check unlawful diversions of specially denatured alcohol.

Although there has been a great expansion of the chemical industries in this country and an increased legitimate demand for alcohol during the past four years, there has been a decrease in the number of permittees withdrawing and using specially denatured alcohol.

This is the result of the cautious policy pursued by the Bureau of Prohibition in the matter of issuing permits to withdraw and use industrial alcohol. A system of searching investigation has caused many undesirable permittees to be eliminated.

This process of elimination has aided greatly in the production of alcohol to take care of the tremendous increase in the manufacture of products requiring alcohol.

The undesirable permittees have been replaced by permittees who are withdrawing and using industrial alcohol for legitimate purposes.

Diverted liquor is only a minor factor in law enforcement. In large sections of the country this factor is negligible. It is attributed to the effective methods of control and supervision invoked under the permissive system.

The records offer convincing evidence that leakages and diversions, which in earlier years provided a substantial source for bootleg liquor, have been greatly reduced.

The rigid control exercised by the bureau is safeguarding all legitimate commercial requirements for industrial alcohol. At the same time large-scale criminal operations involving alcohol diversions have been effectively checked.

Although great care is exercised by the Government in issuing permits, some permittees are occasionally discovered in dishonest practices, and legal proceedings then must be instituted for the revocation of their permits.

In revocation matters the Government is compelled to adopt lengthy and tedious investigations in order to obtain necessary evidence to justify revocation of a permit. Mere suspicion that a permittee is not keeping faith with the Government is not sufficient under the law to warrant revocation. The law gives permit holders certain legal rights, and the burden of proof is upon the Government in instances of alleged diversion of alcohol or for other flagrant permit abuses.

Industrial alcohol is used in the manufacture of thousands of products, extending through the entire range of modern industry.

Illustrating the diversified uses, the following products of wide public consumption are picked at random from among the thousands catalogued under the denatured-alcohol formulas:

Essential oils used in perfumes; hundreds of drugs employed in medicine and pharmacy; soaps, shoe-blackening preparations, soldering fluxes, inks, disinfectants, silvered mirrors, cleaning solutions, brushes, powders, confectioners' colors, dentifrices, embalming fluids, feathers, artificial flowers, fertilizers, enamels, incandescent-lamp filaments, fireworks, hats, imitation ivory, jewelry, lacquers, nuclage, glass, lubricants, photographic engravings and films, furniture polish, solidified fuels, paper, celluloid, synthetic camphor, smelling salts, imitation rubber, certified food colors, liniments, lotions for external use, and barber supplies.

Motorists are using more than 35,000,000 gallons of completely denatured alcohol each year in antifreeze solutions for automobile radiators. Nearly 9,000,000 gallons of specially denatured alcohol are used annually in the manufacture of lacquers. More than 1,000,000 gallons are used in the manufacture of imitation leathers.

A single artificial-silk manufacturing concern uses 3,000,000 gallons of specially denatured alcohol. In the manufacture of bathing alcohol more than 1,000,000 gallons are required. More than 5,000,000 gallons are used in the manufacture of shellacs, varnishes, and paints. In the manufacture of vinegar more than 9,000,000 gallons are used. Toilet-water preparations, perfumes, and cosmetics require about 2,000,000 gallons each year.

Ethyl alcohol (pure alcohol) is necessary in the manufacturing of a wide range of food and medicinal products, and the demand is growing in volume with the normal expansion of business and the growth of population.

Approximately 9,000,000 gallons of ethyl alcohol were withdrawn during the last fiscal year by the manufacturers of drugs, food preparations, flavoring extracts, and other commodities designed for internal human consumption.

Considerable pure alcohol is also sold, tax free, to hospitals and to educational institutions for laboratory and scientific purposes.

There has been a substantial increase during the past fiscal year in the quantity of completely denatured alcohol and specially denatured alcohol manufactured. This is readily accounted for by heavier normal demands.

An increase of several million automobiles in the United States has required additional millions of gallons of completely denatured alcohol for antifreeze purposes. A large increase in the quantity of specially denatured alcohol was needed to furnish lacquers now used in finishing automobiles.

There has been an expanding market for lacquers manufactured from specially denatured alcohol to finish furniture and interiors of residences. The steady expansion of the artificial-silk industry has required additional millions of gallons of specially denatured alcohol.

The growth and expansion during the past fiscal year of the chemical industries has also required more alcohol. It is the basic raw material used in thousands of preparations and processes.

The Government has listed industrial alcohol as one of the Nation's key industries.

The question of the use of industrial alcohol in national defense must be considered. The necessity of a self-contained dye industry is clearly apparent.

The alcohol industry in its peace-time activities sustains the other chemical industries, and is so constructed that it can be expanded rapidly to meet war-time needs. The alcohol industry, therefore, has a fundamental relation to the country's welfare.

The Government in administering the permissive phases of the law relating to industrial alcohol has to pursue a watchful policy in connection with the use and handling of alcohol through its varied commercial channels.

Let us bear in mind the volume of work involved in the Government's task of regulation and supervision.

There are more than 150,000 permittees using or handling alcohol in some manner, including physicians and druggists.

There are 52 plants producing alcohol for commercial purposes. These plants produced more than 100,000,000 wine gallons of alcohol during the last fiscal year.

There are 77 denaturing plants and 75 bonded warehouses.

The magnitude of the Government's job in supervising the activities of those using or handling industrial alcohol may be easily realized when it is recalled that each one of these individuals and concerns is operating under Government permit. Each permit involves a certain amount of necessary official procedure in the work of maintaining proper control and safeguards.

Review of records and reports regularly required from those producing, using, or handling industrial alcohol furnishes a large volume of work for the Government.

A daily record of all alcohol received, used for denaturing, or withdrawn for shipment is made by the proprietor of the plant. Denatured alcohol produced and sold is recorded daily. A summary of these transactions must be made to the Government regularly. The record shows every detail relating to the shipment or delivery.

The Government requires a monthly statement regarding all transactions in recovered alcohol.

An important requirement is that a plant proprietor shall make daily reports, in triplicate, of all alcohol and denaturants used, as well as all denatured alcohol produced. These reports are sent promptly to Government officials supervising these operations.

The Government does not require a permit to purchase, sell, or use completely denatured alcohol. It does require all persons dealing in, storing, or using as much as 11 barrels within a period of 30 days to keep a record for inspection by Government agents.

All persons dealing in specially denatured alcohol keep records of all receipts and deliveries each day, and must keep these open for inspection by Government officers at all times.

Summarized reports of all transactions must be forwarded at stated intervals to the Commissioner of Prohibition and to the prohibition administrators.

All alcohol-producing plants are privately owned, but are operated under Government permit and supervision.

Federal inspectors, known as storekeeper-gaugers, are constantly on duty and supervise all the activities of the plant regarding manufacture, storage, shipment, and the keeping of proper records.

Each alcohol distillery is heavily bonded, and the Government obtains a prior lien on the property, which is liable to forfeiture on proof of violation of the law and regulations governing plant operation.

The control policy on primary production has been successful. It has prevented a large surplus of alcohol which would inevitably be diverted for illicit purposes.

While the bureau's control policy is absolutely necessary to prevent illegal manufacture, distribution, and use of alcohol, it must not react unfavorably, from the consumer's viewpoint, on the price of industrial alcohol.

The manufacturers of industrial alcohol have cooperated in a straightforward way with the bureau in bringing about this desirable result.

Thus cooperation safeguards all reasonable commercial operations. The trade is thereby protected from the criminal element ostensibly engaged in legitimate business to cover up its illegal liquor operations.

Mr. ELLIS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Is the amendment that the gentleman wishes to offer an amendment to the amendment offered by the gentleman from Illinois [Mr. WILLIAM E. HULL]?

Mr. ELLIS. No.

The CHAIRMAN. Then it is not in order now. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. WILLIAM E. HULL. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 6, noes 113.

So the amendment was rejected.

Mr. WILLIAMSON. Mr. Chairman, I ask unanimous consent that all debate on this question and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent that all debate on this section and all amendments thereto close in 10 minutes. Is there objection?

Mr. ELLIS. I object.

The CHAIRMAN. The gentleman from Missouri [Mr. ELLIS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ELLIS: Page 7, line 7, after the word "any" where it occurs the second time, insert the word "basic."

The CHAIRMAN. The gentleman from Missouri [Mr. ELLIS] is recognized for five minutes.

Mr. ELLIS. Mr. Chairman and members of the committee, I have introduced this amendment to insert the word "basic" after the word "any" and before the word "permit" in line 7 of page 7, because I believe it will largely remove objections of the business interests of the country to such change as is proposed in the manner of issuing permits.

The chairman of the committee [Mr. WILLIAMSON] on two occasions to-day has said, if I understood him correctly, that the issuance of what is known as administration or supplemental permits—permits issued for the withdrawal of liquor from the warehouses after the basic permits have been granted—will not be disturbed by this bill; that the Attorney General will not, under the contemplation of the framers, interfere at all in the immediate issuance of such permits.

Now, the other kind of permits known in the administration of the prohibition law are basic permits. Those are the permits that are issued to a concern, in the first instance, to do business—to withdraw alcohol or liquor for use or sale. They are well defined in the preceding section as those permits that are issued for more than 90 days.

Now, if you put this word "basic" before the word "permit" at that point, you settle one question. The Attorney General will interfere only if and when he thinks it advisable, and only with respect to basic permits—the permits that run usually for a year. Now, these business institutions—and I refer only to honest institutions that are honestly observing this law—feel that they have a grievance, that they have not been heard. That has come out in the debate. But if I understand them correctly—and I think I do—they will be perfectly satisfied if this dual control applies only to those long-time permits.

I am opposed to all the suggestions here of limiting the powers of the Attorney General to make investigations. This amendment will in no way limit the power of the Attorney General to investigate and keep posted on the issuance of all permits, including those which the chairman of the committee says he does not propose to interfere with at all. I see no reason why this committee should not consent to this amendment and put this matter beyond all doubt or uncertainty. If I am not right about it, the gentleman is not candid with this House when he says there is no proposal here to interfere with these supplemental permits. Either the chairman is not in good faith in making the statement to this House or he will be willing to make the distinction clear by the express terms of the bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WILLIAMSON. Mr. Chairman, if I may have the attention of the members of the committee for a moment, I want to call their attention to what the effect of the gentleman's amendment will be.

The CHAIRMAN. The gentleman from South Dakota is recognized for five minutes.

Mr. WILLIAMSON. If you write in the word "basic" before the word "permit," it will mean that the Attorney General will have no voice in granting any kind of a permit, for the basic permits are the permits which are given for not more than a year. As I understand the term, "basic permit" relates to the annual permits. He has no voice in granting the supplemental permits under the bill as it stands. Take away from him a voice in basic permits and he is out of the picture.

Mr. ELLIS. The gentleman will admit that that is not the case. There is a distinction between the basic and the short-time supplemental permits under this law. What these honest concerns want is to know that the short-time emergency permits—the permits which relate simply to the withdrawal of liquor, the right to do which is granted to them in their general permit—will not be interfered with.

Mr. WILLIAMSON. The Attorney General can not interfere with the supplemental permits as the bill stands. The gentleman's amendment will not change this situation, but will take it out of his power to deal with any kind of permits.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Missouri.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

Sec. 8. The Bureau of Prohibition in the Treasury Department shall thereafter be known as the Bureau of Narcotics and Industrial Alcohol, and the Commissioner of Prohibition in the Treasury Department shall hereafter have the title of Commissioner of Narcotics and Industrial Alcohol.

With the following committee amendments:

On page 7, in line 17, strike out the word "thereafter" and insert in lieu thereof the word "hereafter."

In line 18, strike out the words "narcotics and."

In line 20, strike out the words "narcotics and."

The CHAIRMAN. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The Clerk read as follows:

Sec. 9. When used in this act, the term "national prohibition act" means the national prohibition act of October 28, 1919, as amended and supplemented, and includes any act for the enforcement of the eighteenth amendment.

With the following committee amendment:

On page 7, in line 24, after the figures "1919," strike out the words "as amended and supplemented" and insert in lieu thereof the words "and all acts amendatory thereof or supplementary thereto."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Under the rule the committee automatically rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Hooper, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 8574) to transfer to the Attorney General certain functions in the administration of the national prohibition act, to create a bureau of prohibition in the Department of Justice, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is ordered. The question, therefore, is on agreeing to the amendments. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. WILLIAMSON, a motion to reconsider the vote by which the bill was passed was laid on the table.

ROAD BUILDING PROGRESS IN THE CHELAN AND WENATCHEE NATIONAL FORESTS

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing a statement furnished me by one of my constituents with reference to the road-building program in our national forests in the State of Washington.

The SPEAKER. The gentleman from Washington asks unanimous consent to extend his remarks in the Record by printing a statement from one of his constituents with regard to the road-building program in our national forests. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, the gentleman from Massachusetts [Mr. UNDERHILL] has made many objections to extraneous matters like speeches and statements of non-Members being printed in the Record. Of course, I am not taking his place.

Mr. HILL of Washington. I will say to the gentleman that this is a statement which I asked him to furnish me with reference to the specific problems relating to the national forests in my own district.

Mr. LAGUARDIA. It is a communication sent to the gentleman from Washington by a constituent?

Mr. HILL of Washington. It is a statement I asked him to prepare, and he has prepared it for me. It deals with the question of the road-building program in the national forests in my district.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL of Washington. Mr. Speaker, under leave granted I herewith offer for the Record the following statement on the necessity for an expansion of the road-building program in the Chelan and Wenatchee National Forests for better protection of the timber and watersheds therein against fire. The statement was prepared by Hon. M. E. Field, of Chelan, Wash. Mr. Field is a former State Representative of the State of Washington. He is a man of wide experience and observation and has an intimate knowledge of the conditions in the national forests discussed in this statement. He is the president of the Four County Council, an organization representing all the commercial bodies in the counties of Chelan, Okanogan, Douglas, and Grant, in the State of Washington. I confirm and wholeheartedly indorse this statement and commend it to the serious consideration of Congress. The statement follows:

STATEMENT BY M. E. FIELD, OF CHELAN, WASH.

Eleven States of the West hold the last stand of timber of our country. A heritage of inestimable value to all people of the United States this timber, with alarming rapidity, is being destroyed by fire. Through this agency of destruction we see our timber wealth vanishing, our water sources failing, our natural beauty fading away. This deplorable harvest is being gathered from lack of care of our national forests. No part of the West is suffering more keenly by reason of forest fires than the north-central portion of the State of Washington, where are located the Chelan and Wenatchee National Forests. For years past these two have been known as the fire forests of Washington; they are located on the eastern side of the Cascade Range of mountains, in what may be termed the dry zone. Precipitation in these is less than in other forests of the State, but of the two precipitation is less in the Chelan than in the Wenatchee Forest. The Chelan is the largest and the driest forest in Washington, has suffered more keenly from fires during a period covering the last 20 years than any other Washington forest, and during the year 1929 suffered greater losses than any other national forest in the United States.

Among the losses we note the lives of three valued and respected men sacrificed while trying to save the people's property; burning over an area of 58,000 acres; total loss of 140,000,000 feet of good matured timber, together with 30,000 acres of protection forests; flumes and buildings of private owners; and \$177,500 paid by the Federal Government as fire-fighting expense carries the total property damage of this one fire to a sum well in excess of \$1,000,000.

Then, in addition to all these losses, we have to consider damage resulting from denuded watersheds.

Area burned over in the Wenatchee Forest in 1929 was 6,100 acres; fire damage, \$21,000; cost of fighting the fire, \$85,000. Area burned over in the Rainier National Forest during the last 10 years, 2,560 acres; fire damage to timber and forest, \$11,682.

All of the above figures and estimates are furnished by forest officers of the three national forests under discussion, positively demonstrating comparative fire damage and comparative need for fire protection. However, these estimates apply to property damage only. Fire damage in forests providing water for purposes of irrigation and power is infinitely greater than in those that do not.

The State of Washington produces more first-quality apples than any other State in the Union. The greatest apple-producing portion of Washington lies between the Cascade Range of mountains and the Columbia River, comprising the valleys of the Yakima, and other rivers farther north, including the Wenatchee, Entiat, Chelan, Methow, Okanogan, and their various tributaries, the whole extending from the Canadian border to the city of Pasco. It is the greatest apple-producing section because altitude and climate are right for both quality and quantity production.

Apples grown in Washington are consumed in all markets of the world and everywhere considered to be of the world's best. The area above described produces Washington's best. The agricultural products of this area in 1929 sold for a sum exceeding \$75,000,000. Manufactured goods shipped into this same territory over the transcontinental railroads and purchased by people living there cost more than \$50,000,000.

The whole development, production, and progress of central Washington is built on water. All water used for irrigation and power purposes is drained from the watersheds of the Chelan, Wenatchee, and Rainier National Forests.

The area of the Chelan Forest is 1,843,316 acres; the area of the Wenatchee Forest is 1,376,252 acres; area of the eastern side of the Rainier Forest, 648,236 acres; total, 3,867,748 acres. Area of lands now under irrigation and others available for irrigation with water from these forests totals approximately 900,000 acres, or 1 acre of agricultural land dependent on each 4 acres of forest land for water for all purposes in this area that carries the burden of production of the greater portion of all apples, pears, and soft fruits produced in the State of Washington.

The estimated amount of matured timber in the Chelan National Forest is 4,548,126,000 board feet, and in the Wenatchee Forest about the same amount, a total of approximately 9,000,000,000 feet. Owing to location, a considerable portion of this matured timber has no commercial value, but as forest product for the preservation of moisture its value is inestimable. However, the greater portion of said timber would have commercial value if it were made available by building forest roads.

The watersheds of the Chelan Forest supply all water for irrigation and domestic purposes in the valleys of the Okanogan and Methow Rivers and the valley of Lake Chelan. These areas are extensive and produce abundantly of high-quality fruits and vegetables as well as other agricultural products.

In addition to the water used for domestic and irrigation purposes the Chelan Forest provides all water for the new \$10,000,000 hydro-electric plant of the Washington Water Power Co., located in the Chelan River, which supplies power for electrification of the Great Northern Railway lines through the State and power and light for the people of northern Washington. The efficiency of this great public necessity is certain to be seriously impaired if the watersheds in the Chelan National Forest are to be denuded by fire. The Wenatchee Forest supplies water for a greater area of agricultural land than is supplied by the Chelan Forest, but the fire hazard is not so great. The facilities for fighting fires are much better and the fire damage is much less.

The forests of the West are the great moisture storehouses. Experiments conducted by the Forest Service have demonstrated that snow deposited on areas that were covered by dense forest growth remains six weeks longer than on contiguous areas that have been denuded by fire.

Evaporation of denuded areas is much more rapid than on those having forest covering.

The season of the annual run-off is the crucial period in districts using water for irrigation. The early run-off is wasted unless storage facilities are provided, while the late run-off furnishes the normal stream flow for maturing agricultural products. Water storage is expensive, and in some localities where storage might be necessary no sites are available for storage reservoirs. All water-storage projects are encumbered with results of erosion. All denuded watersheds furnish silt for storage reservoirs. Forest growth on the areas where water sources exist is the only means of protection and conservation of watersheds.

Admittedly, the greatest agency of destruction of the forest of the West is fire. To successfully combat forest fires the first essential is to provide ways to get men and equipment to the location of the fire. This can be done only by building roads in the forests. In addition to roads, telephones, lookout houses and equipment are necessary.

There are responsibilities connected with conserving the Nation's forests. Congress is responsible for their care to the extent of appropriating sufficient funds for their protection and development. The Department of Agriculture is responsible for fair distribution of available funds to the various districts composed of national forests. The district forest office is responsible for the allocation of money to the various forests in the district in amounts representing their individual needs and deserts. Responsibility of presenting existing conditions and making contributive recommendation for expenditures for protection and development of national forests rests with the people living within the forest or in contiguous territory. In this connection, the Four County Council, composed of all commercial organizations of four counties of the north central portion of the State of Washington conferring with the supervisor of the Chelan and Wenatchee National Forests, has worked out a program of improvements for these two forests that are absolutely and immediately necessary for protection of their timber and watersheds from destruction by fire. The council adopted the recommendation of Supervisor A. H. Sylvester, of the Wenatchee Forest, to the effect that the immediate need for roads, trails, and other fire-protection equipment will necessitate the expenditure of \$500,000.

In the Chelan Forest recommendations cover the following items: Trails, telephones, lookout houses, and repairs on roads now being used, \$200,000. Two hundred miles of development road leading to six of the more important localities penetrating portions of the forest that are most seriously in need of protection, cost of construction estimated by Supervisor E. T. Harris of the Chelan Forest, \$800,000. Total for the Chelan Forest \$1,000,000.

Weather Bureau observations show that during the last 45 years precipitation has been gradually decreasing. Personal observations dem-

onstrate that the glaciers in the western mountain ranges are fewer in number and much smaller than they were 25 years ago.

The stream flow of all streams in the Chelan and Wenatchee Forests during the low-water season in 1929 was only half as much as the flow of the same stream at the same time of year in 1920. This condition is accounted for chiefly through lack of precipitation, but in part by fire destruction of forest covering permitting unusual early run-off from watersheds.

In making final analysis of the conservation situation, our conclusions are: First, all national forests and their content belong to the people and it is the duty of the Federal Government to protect and develop them; second, the most effective remedy for fire damage exists in building roads and trails in the forests; third, forests furnishing water for irrigation and power purposes are entitled to first consideration when allocations of public money are being made; fourth, allocations for forest development, roads, and trails should be made to each forest with special reference to existing roads and trails. To illustrate, the supervisor of the Rainier National Forest states that the eastern portion is quite well supplied with roads and trails and that the fire damage to the whole forest during the last 10 years is only \$11,628.

The Wenatchee Forest is traversed by one railroad and a considerable number of State and county roads. Fire damage in 1929, \$21,000; amount paid for fighting fire, \$85,000; total, \$106,000. The Chelan Forest has no railroad, a very limited mileage of roads of any kind; estimated fire damage in 1929, \$1,000,000; including \$177,500 paid for fighting fire.

The main objective of our Government since its inception has been to protect and develop natural resources and make them available for the use of home builders. One of the greatest of the natural resources in all America is, and always has been, the forests. Next, water for domestic and power purposes and later for irrigation. These resources furnish opportunity for home building and increased population. Proper protection of the forests of north central Washington insures development of all other natural resources of that important territory. Washington is a State of wonderful resources and opportunities. The north central portion possesses a very large share of these. We have the Columbia River, the greatest water-power stream on the American continent; the Columbia Basin reclamation project, comprising 2,000,000 acres of choice agricultural land, awaiting Federal aid in diverting water for irrigation and domestic purposes.

Scenic resources comprising mountains, glaciers, streams, lakes, and wonderful parks, these all are associated with forests and lose their charm when forests are destroyed by fire. Why should argument be needed to impress upon the people the necessity for their care? National forests are wards of the Federal Government and are entitled to a full measure of protection and development.

EXTENSION OF REMARKS

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill just passed, and in so doing I would like to include a brief resolution of the National Conference of Organizations Supporting the Eighteenth Amendment.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the Record on the bill just passed and to incorporate therein a brief resolution of the National Conference of Organizations Supporting the Eighteenth Amendment. Is there objection?

Mr. SCHAFER of Wisconsin. Mr. Speaker, reserving the right to object, what are those organizations?

Mr. CRAMTON. They include the alcohol information committee, the Anti-Saloon League of America, and the association of Catholics favoring prohibition, and quite a number of others. I can read the whole list to the gentleman if he so desires.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I shall not object.

Mr. LaGUARDIA. Reserving the right to object, is this conference supporting the bill and is it in favor of it?

Mr. CRAMTON. That is the reason I am asking to put this in the Record. It is their position with reference to the whole program of legislation, including this bill.

The SPEAKER. Is there objection?

There was no objection.

ROAD AND TRAIL BUILDING IN ALASKA

Mr. SUTHERLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by including therein a letter addressed to the Speaker by the Secretary of War on January 4 and referred by the Speaker to the Committee on Territories. It is a two and a half page letter on a program of road and trail building in Alaska.

The SPEAKER. The gentleman from Alaska asks unanimous consent to extend his remarks by incorporating a letter from the Secretary of War. Is there objection?

There was no objection.

The matter is as follows:

WAR DEPARTMENT,
Washington, January 4, 1930.

The SPEAKER, HOUSE OF REPRESENTATIVES.

Washington, D. C.

DEAR MR. SPEAKER: As the existing program for construction of roads, bridges, and trails in Alaska will expire with the end of the fiscal year 1931, and in connection with a request from the chairman of the subcommittee of the Committee on Appropriations, House of Representatives, that a restudy be made of the Alaska road project in order that a new program for that work be furnished in time for use in considering the 1932 estimates, there are inclosed herewith a report from the Board of Road Commissioners of Alaska, dated July 23, 1929, and a copy of letter of transmittal from the Chief of Engineers, dated December 19, 1929, which report and letter propose alternate 5 and 10 year programs, beginning with the fiscal year 1932, for the construction of roads, trails, and winter sled roads in Alaska.

It will be noted that both programs contemplate practically the same work, but the 10-year program spreads the expenditures over a longer period. The total cost of the latter program provides for maintenance and improvement, \$9,047,000, and for new construction, \$7,500,000; total, \$16,547,000. Of the total amount required, the sum of \$2,300,000 will be derived from Alaskan sources and Federal appropriations amounting to \$14,247,000, to be made available in 10 installments varying from \$1,056,000 to \$1,652,000 per annum.

The proposed legislation has been submitted to the Director of the Bureau of the Budget, who advises that the expenditures contemplated by the proposed legislation would not be in accord with the policy of the President for the restraint of Federal expenditures.

Sincerely yours,

PATRICK J. HURLEY,
Secretary of War.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, December 19, 1929.

Subject: Project for the construction and maintenance of roads, trails, and winter sled roads in Alaska.

To: The Secretary of War.

1. I submit a report proposing programs for the construction and maintenance of roads, trails, and winter sled roads by the Board of Road Commissioners of Alaska, beginning with the fiscal year 1932. It is recommended that this report be transmitted to Congress.

2. The existing program for the work of the board expires with the end of the fiscal year 1931, and it is desired therefore to prepare a project to cover the future work of the board.

3. It is proposed under the project submitted herewith to construct 869 miles of new wagon and autotruck roads over new trails or over routes provided with summer or winter trails only. The road system under the existing program will, at the end of the fiscal year 1931, consist of approximately 1,723 miles of roads, 1,375 miles of winter sled roads, and 7,657 miles of trails. If the new project is adopted and executed the system will consist of 2,592 miles of roads, 982 miles of winter sled roads, and 7,291 miles of trails.

4. The past operations of the board, the physical and economic conditions in Alaska, the transportation system, detailed descriptions of all the proposed routes, and the benefits to be derived from the proposed operations are discussed and illustrated by maps and diagrams in the accompanying program.

5. Alternate 5 and 10 year programs are proposed by the board. The proposed programs have been studied in this office. It is believed that the development of Alaska requires a reasonable expansion of the transportation system, particularly in wagon and autotruck roads, to connect remote areas with the Government railroad and the navigable inland and coastal waterways. Both programs cover the same work, but the 10-year program spreads the expenditures over the longer period. The total cost of the 10-year project follows:

For maintenance and improvement.....	\$9,047,000
For new construction.....	7,500,000
	<hr/> 16,547,000

Of the above amount, it is expected that \$2,300,000 will be derived from Alaskan sources. The direct Federal appropriations required during the 10 years will be \$14,247,000, varying in amount per year from \$1,056,000 to \$1,652,000, as shown in detail in the program. This program meets the immediate needs of the Territory at a cost commensurate with the steady development of Alaska.

6. I therefore report that the adoption of a project setting up a 10-year program for the construction and maintenance of roads, trails, and winter sled roads is deemed advisable at an estimated cost of \$14,247,000, including maintenance. Funds should be made available in 10 installments, varying from \$1,056,000 to \$1,652,000.

7. Draft of letter to the Speaker of the House of Representatives transmitting copy of the report is herewith for signature the Secretary of War.

LYTLE BROWN,
Major General, Chief of Engineers.

EXTENSION OF REMARKS

Mr. TARVER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD on the bill H. R. 9444, and in connection therewith insert certain historical information appearing in a recent article published in the Atlanta Journal. The article in question is short, and the bill in question was introduced by myself.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD on the bill introduced by himself and to incorporate therein an article appearing in the Atlanta Journal. Is there objection?

Mr. BLACK. Reserving the right to object, may I ask what that bill is about?

Mr. TARVER. The bill has reference to the erection of a marker marking the last capital of the Cherokee Tribe before its removal west of the Mississippi River.

Mr. JOHNSON of Washington. Further reserving the right to object, Mr. Speaker, is not that the matter to which the gentleman from Massachusetts objected the other day?

Mr. TARVER. The gentleman will doubtless recall what occurred the other day. My position, of course, is that the gentleman from Massachusetts should ordinarily do his own objecting. If the gentleman desires to undertake that work for him, of course, that is his privilege.

Mr. JOHNSON of Washington. As a party to the effort to keep matters of that kind out of the RECORD, in the absence of the gentleman from Massachusetts, I object.

Mr. TARVER. Would the gentleman reserve his objection for a moment?

Mr. JOHNSON of Washington. For a moment; yes.

Mr. TARVER. I notice during the last few minutes quite a number of gentlemen have secured unanimous consent for insertion of matter which certainly is not entitled to any higher degree of consideration, and I am therefore wondering if the gentleman has any reason for making any special selection of my case as the one which merits his attention?

Mr. JOHNSON of Washington. No; it is entirely impersonal, but I will ask the gentleman if he has arranged with the gentleman from Massachusetts with regard to the matter.

Mr. TARVER. I never expect to make arrangements of any kind with the gentleman from Massachusetts, since I understand it is a matter within the judgment of the House, and I do not understand that the gentleman has been selected to determine questions of this character by himself alone.

Mr. JOHNSON of Washington. If the gentleman will withdraw his request for the present, I will undertake to intercede with the gentleman from Massachusetts.

Mr. TARVER. No; I will not withdraw it. I will leave it to the gentleman to object if he sees fit to do so.

Mr. JOHNSON of Washington. I object.

The SPEAKER. Under the order of the House the gentleman from Idaho [Mr. FRENCH] is recognized for 15 minutes.

STATEMENT REGARDING THE LONDON NAVAL CONFERENCE

Mr. FRENCH. Mr. Speaker and gentlemen of the House, I am in such complete sympathy with the very responsible work that has been placed upon the delegation from five of the great world powers now meeting in London in what is known as the London Naval Conference, that I should like to analyze the statement, made by the Secretary of State of the United States who heads the delegation of our country at the conference, that was released upon yesterday.

I ask unanimous consent, Mr. Speaker, that the statement be permitted to run in the RECORD at this point, and that it be followed by a statement issued by the Acting Secretary of State upon yesterday.

Mr. TARVER. Reserving the right to object, Mr. Speaker, and I shall not object, I desire to ask the gentleman if he has conferred with the distinguished gentleman from Massachusetts in reference to whether or not this meets with his approval?

Mr. FRENCH. Oh, no; and I shall quote the gentleman as of a few moments ago, when he said:

I must permit him to make an objection if he so desires.

The SPEAKER. The gentleman from Idaho asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

The statements referred to follow:

DEPARTMENT OF STATE,
February 6, 1930.

FOLLOWING IS THE TEXT OF A STATEMENT BY SECRETARY STIMSON, CHAIRMAN OF THE AMERICAN DELEGATION AT THE LONDON NAVAL CONFERENCE

At the opening of the conference the United States delegation made no statement of its position or the needs of its country beyond the historical fact of the agreement in principle for parity between Great

Britain and the United States. We are now in a position where we can go further. Following discussions among ourselves and negotiations with the British and Japanese which have clarified the limits of possible agreement, our delegation has made suggestions, as follows:

"First, with Great Britain, immediate parity in every class of ship in the navy. The gross tonnage of these two fleets is substantially 1,200,000 tons apiece. The negotiations last summer between President Hoover and Prime Minister MacDonald practically reduced the discussions of parity between them to the comparatively insignificant difference in their respective cruiser-class tonnage of 24,000 tons. We propose to settle this difference as follows: Under our suggestion the actual tonnage difference between the two cruiser fleets will be only 12,000 tons. Of the larger cruisers armed with 8-inch guns Great Britain will have 15 and the United States 18, an advantage to the latter of 30,000 tons.

Of the smaller cruisers armed with 6-inch guns Great Britain will have an advantage of 42,000 tons, but beyond this, in order to insure exact equality of opportunity, the United States makes the suggestion that each country will have the option of duplicating exactly the cruiser fleet of the other. Thus Great Britain would have the option by reducing its number of small cruisers to increase its large cruisers from 15 to 18 so as to give it a total tonnage of 327,000 tons, the exact amount of tonnage which the United States now asks. On the other hand, the United States would have the option, by reducing its large cruisers from 18 to 15, to increase the number of its small cruisers so as to give it a total cruiser tonnage of 339,000 tons, the exact amount of tonnage which the British now ask.

In battleships we suggest by reduction in number on both sides to equalize our two fleets in 1931 instead of in 1942. At present the British battleship fleet contains two more vessels than ours. In destroyers and aircraft carriers we suggest equality in tonnage, and in submarines the lowest tonnage possible.

As is well known, we will gladly agree to a total abolition of submarines if it is possible to obtain the consent of all five powers to such a proposition, and in any event we suggest that the operations of submarines be limited to the same rules of international law as surface craft in operation against merchant ships so that they can not attack without providing for the safety of the passengers and crew.

Second, our suggestion to the Japanese would produce an over-all relation satisfactory to us and, we hope, to them. In conformity with our relations in the past it is not based upon the same ratio in every class of ships.

We have not made proposals to the French and Italians, whose problems are not so directly related to ours that we feel it appropriate at this time to make suggestions to them. A settlement of the Italian and French problem is essential, of course, to the agreement contemplated.

The United States delegates do not feel at liberty to discuss any further details in figures, and it is obvious that the announcement of hypothetical figures by others is calculated only to provoke argument.

Our delegation is in agreement on every item of our program and we are in the most hopeful spirit that in cooperation with the other dele-

gations the primary purposes of the conference; namely, the termination and prevention of competitions in naval armament and such reductions as are found consistent with national security may be accomplished.

This is all that we deem it helpful to state until our suggestions have been considered by the delegations to whom they have been sent.

STATEMENT OF THE ACTING SECRETARY OF STATE

DEPARTMENT OF STATE,

February 6, 1930.

The statement clearly means that the United States delegation has made a proposal which gives tonnage parity by categories between Great Britain and the United States. As to the cruiser category, it is proposed that the United States have the right to build 18 large cruisers (3 more than Great Britain), and in smaller cruisers a lesser tonnage than Great Britain. But if the United States wishes it is to have the option to build the same tonnage in larger cruisers as Great Britain—that is, 15—and in that event can increase its small cruiser building to duplicate the British tonnage.

Mr. FRENCH. Mr. Speaker, the statement that was released by Secretary Stimson, chairman of the American delegation to the London Naval Conference, upon yesterday gives a clear-cut outline of a possible agreement touching naval tonnage as it concerns the United States that might flow from the conference, which I understand from the statement, is concurred in by all members of our delegation. The proposed program has attracted the attention within the United States that is due a program of such significance.

I hail the statement as one calculated to inspire confidence in the conference and the belief that great good will flow therefrom. Were the results of the conference to crystallize, so far as the United States may be concerned, in a program substantially indicated by the statement, definiteness would be written into naval programs, which, after all, as I see it, is the cardinal, the fundamental principle that is at stake.

More than that, adoption of the program would prevent expansion of naval establishments. These two considerations would mark progress of incalculable importance in the consideration of the problem of naval strength of world powers.

I have asked for a few minutes of time in the House, within which I desire to consider the effect of the program upon existing conditions as they involve the Naval Establishment of the United States.

Assembling my data from the data sheet furnished by the Navy Department as of January 15, 1930, and which is used as the basis of information by the delegates to the London conference, I find the naval tonnage of the various craft of the several types, exclusive of auxiliary craft, of the United States is as indicated in the following table:

Data of naval craft other than auxiliary craft of the United States

Vessels	Built		Building		Appropriated for		Authorized		Additional allowed by Washington conference (tons)	Obsolete		Total (tons)
	Number	Tons	Number	Tons	Number	Tons	Number	Tons		Number	Tons	
Battleships.....	18	523,400							1,600			525,000
Aircraft carriers.....	13	76,286			1	13,800			49,914			140,000
Cruisers.....	11	80,500	12	120,000	5	50,000	5	50,000		4	25,501	326,001
Destroyers.....	284	290,304					12			25	16,851	307,155
Submarines.....	108	77,062	2	5,520	3	4,650	1			14	5,246	92,478
Total.....	424	1,047,552	14	125,520	9	68,450	18	50,000	51,514	43	47,598	1,390,634

¹ Effective age under 20 years.

² Over 20 years.

³ Effective age under 16 years.

⁴ 12 authorized 1916 program, omitted.

⁵ Over 16 years.

⁶ Effective age under 13 years.

⁷ Neff experimental.

⁸ Over 13 years.

It will be seen from examination of the table that the effective tonnage of battleships, aircraft carriers, cruisers, destroyers, and submarines of the United States—built, building, and appropriated for, is 1,241,522 tons.

In addition to this, the United States has authorized five cruisers of 50,000 tons, and we have obsolete cruisers in the amount of 25,501 tons, obsolete destroyers in the amount of 16,851 tons, and obsolete submarines with a tonnage of 5,246. Also, the Washington conference permits aircraft carrier tonnage for which the Congress has not authorized construction in the amount of 49,914 tons. Battleship tonnage measured by standard displacement is 1,600 tons under our allowance at the Washington conference.

Turning to the statement of Secretary of State Stimson, a gross tonnage of 1,200,000 tons is suggested for the United States and the same for Great Britain.

In brief, that tonnage is approximately the present effective tonnage of both Great Britain and the United States.

Should the proposal be adhered to in the form presented, it would accomplish the following:

First. It would write definiteness into naval construction programs.

Second. It would reduce the battleship tonnage by subtracting three battleships with a possible tonnage of 75,000 to 90,000 tons.

Third. It would fix the 10,000-ton cruiser strength of the United States at 180,000 tons, with 18 cruisers carrying 8-inch guns and cruisers of smaller tonnage sufficient to make a grand total of 327,000 tons.

Fourth. It would fix the 10,000-ton cruiser strength of Great Britain at 150,000 tons, with 15 cruisers carrying 8-inch guns

and an additional tonnage of smaller cruisers that would make a grand total of 339,000 tons.

Upon this basis the United States would have the advantage of 30,000 tons over Great Britain in larger cruisers, while Great Britain would have the advantage of 42,000 tons in cruisers of smaller type. It provides, however, that the United States might adopt the exact tonnage program of Great Britain in large and small cruisers, and that Great Britain might adopt the exact cruiser program of the United States.

Fifth. It proposes a total abolition of submarines under certain conditions and that in any event the operations of submarines be limited to the same rules of international law as surface craft in operation against merchant ships so that they can not attack without providing for the safety of passengers and crew.

Under the program proposed by the statement, assuming that submarines were not abolished, it would leave the United States with approximately the present tonnage that she now has.

The saving in tonnage that would be subtracted on account of withdrawal of battleships, aggregating from 75,000 to 90,000 tons, would need to be allocated to aircraft carrier and cruiser tonnage. Destroyer and submarine tonnage would stabilize at approximately the tonnage that now exists.

In my judgment the proposal, if agreed to, would prevent competition in the different types of naval craft. I fear that we could not expect immediate reduction of the annual naval costs, but the program would check the tremendous expanse in naval burdens that in the absence of an agreement are immediately ahead.

Were the results of the conference to be attained along the line of the plan suggested by Secretary of State Stimson, I should regard the accomplishment as one of epochal significance in its bearing upon relationships of world powers.

The American delegation have the confidence of the American people. They are asked to bear responsibility under trying circumstances. They are dealing with the representatives of nations which have problems peculiar to their individual well-being, and the wishes and aspirations of the United States must blend into the necessities of the other powers. The United States has no selfish purpose to be attained and no good that can flow from the London conference will benefit the United States that will not benefit in like degree every nation whose delegates are assembled about the conference table and, indeed, the peoples of all lands.

I am in accord with the statement made by President Hoover in his Armistice Day address, of November 11, 1929, in which the President said:

We will reduce our naval strength in proportion to any other. Having said that it only remains for the others to say how low they will go. It can not be too low for us.

I could hope, upon further deliberation, all parties to the London conference could agree to lower tonnage in the several categories in the interest of reduction in naval budgets. If they can not, then I could hope that the proposition outlined by Colonel Stimson might be realized. [Applause.]

Mr. MILLER. Will the gentleman yield? What does the gentleman say about a larger number of cruisers for Great Britain but with smaller tonnage?

Mr. FRENCH. Under the proposed plan Great Britain would have fifteen 10,000-ton cruisers and tonnage in smaller cruisers that would permit her to have a grand total of 339,000 tons. The United States would have eighteen 10,000-ton cruisers and less tonnage of the small cruiser type, making a total of 327,000 tons.

Mr. KETCHAM. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. KETCHAM. The gentleman has referred to the comparative tonnage in the cruiser class as between Great Britain and the United States, with a somewhat smaller type for Great Britain. Can the gentleman indicate the comparative number of cruisers?

Mr. FRENCH. The statement of Mr. Stimson does not undertake to do that, but there is a difference as regards the cruisers of the 10,000-ton class. Of the 10,000-ton class it was proposed that 18 be the number given to the United States and 15 to Great Britain. Under the plan the United States would have the privilege of expanding in the smaller cruiser type to 327,000 tons and Great Britain to 339,000 tons.

It is also proposed that either may go to the program of the other if it so desires.

Mr. GARNER. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. GARNER. Is the gentleman's statement this afternoon in the nature of an explanation of the statement appearing in the daily press from a higher source?

Mr. FRENCH. Does the gentleman mean in criticism of the statement of the delegates at London?

Mr. GARNER. In discussing their action.

Mr. FRENCH. I must confess that I was impressed by criticisms which I thought ought not to have been made.

Mr. PATTERSON. Will the gentleman yield?

Mr. FRENCH. I yield.

Mr. PATTERSON. If I understood the gentleman right, the result so far has not been any appreciable reduction of armament but only a stabilization.

Mr. FRENCH. Well, that would be worth while.

Mr. PATTERSON. I notice that the reports from the press seem to indicate that probably our building program for the next two years would expand if this policy was carried out.

Mr. FRENCH. I think that is not correct. It would mean subtracting 75,000 or 90,000 tons from battleship tonnage, canceling some 50,000 tons heretofore authorized for 10,000-ton cruisers, and expansion of the smaller cruiser tonnage.

Mr. PATTERSON. I do not want to take the gentleman's time, but I would like the gentleman to answer this: Will the result accomplish a reduction in naval expenditures for the next year?

Mr. FRENCH. I think if we look ahead for a period of several years it will.

Mr. PATTERSON. I am talking about the next Budget.

Mr. FRENCH. I think it would prevent the Budget being as large as it would without the program.

Mr. PATTERSON. I noticed the speech of the gentleman the other day, and that the gentleman stands up for reduction.

Mr. FRENCH. I do; and I hope as the result of further deliberation we shall be able to reduce from the program that has been tentatively proposed. But it takes more than one nation to make a bargain. If the program could be worked out on the basis of the Stimson statement it would be an accomplishment of nothing less than tremendous significance from the standpoint of world relationships and with respect to naval budgets.

Mr. PATTERSON. Any checking would be an accomplishment.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. LAGUARDIA. Lest there be confusion created by reason of the disparity in gross tonnage of these smaller cruisers, I think it would be well for the gentleman to refer to the page numbers of the Record in his previous speech, and in the discussion on the bill for 15 additional cruisers, where comparative tables of the ships were inserted.

Mr. FRENCH. The table that I am using now I have briefed from the table I used a few weeks ago. I am giving the same figures.

Mr. BANKHEAD. Mr. Chairman, the gentleman from Idaho confesses, in answer to the inquiry of the gentleman from Texas [Mr. GARNER], that his present statement is largely inspired by reason of developments in the press with respect to the attitude possibly of a United States Senator. I ask the gentleman if he does not think it rather unfortunate that before any real progress has been made toward any permanent agreement at the London conference we should inject these differences of opinion into the controversy? Does not the gentleman think that the part of wisdom would suggest, regardless of any difference of opinion on the matter, that we should wait until at least some apparent definite program has been reached by our conferees?

Mr. FRENCH. Oh, I think that is the program desirable to follow.

LEAVE TO ADDRESS THE HOUSE

Mr. BEEDY. Mr. Speaker, I ask unanimous consent that on Saturday, a week from to-day, after the reading of the Journal and the disposition of business on the Speaker's desk, I be permitted to address the House for one hour on the subject of prohibition.

The SPEAKER. The gentleman from Maine asks unanimous consent that on next Saturday, after the disposition of matters on the Speaker's desk, he may be permitted to address the House for one hour on the subject of prohibition.

Is there objection?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, and I shall not object, I ask unanimous consent to follow the gentleman from Maine for 15 minutes. I think that is all it will take to answer the gentleman from Maine.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

The SPEAKER. The gentleman from New York asks unanimous consent to supplement the remarks of the gentleman from Maine for 15 minutes. Is there objection?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, did I understand the gentleman from New York to state that he thinks that in 15 minutes he can answer all of the arguments of the gentleman from Maine who is to take an hour?

Mr. LAGUARDIA. Oh yes; and I may yield back some of my time. [Laughter.]

Mr. BLACK. Does the gentleman from New York know whether the gentleman from Maine is going to make a wet or a dry speech? We could not tell where he stood from the last one.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. TILSON. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business in order on Wednesday next be dispensed with, and that on that day bills unobjected to on the Private Calendar may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that business in order on Wednesday next be dispensed with, and that it may be in order to consider in the House as in Committee of the Whole bills unobjected to on the Private Calendar. Is there objection?

Mr. McFADDEN. Mr. Speaker, that means the Banking and Currency Committee, which has the call on Wednesday next, will have the two following Wednesdays?

Mr. TILSON. Yes; the gentleman is correct. I have understood from the gentleman that the proposed change would be satisfactory to him, and that his committee may have other bills reported out by that time.

Mr. GARNER. The Banking and Currency Committee has the call on the next Calendar Wednesday?

Mr. McFADDEN. Yes.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT

Mr. WILLIAMSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p. m.) the House adjourned until Monday, February 10, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Monday, February 10, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m. and 2 p. m.)

Navy Department appropriation bill.

(2 p. m.)

District of Columbia appropriation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(10 a. m.)

To amend the World War veterans' act, 1924, as amended (H. R. 8133).

COMMITTEE ON AGRICULTURE

(10 a. m.)

Authorizing appropriations to be expended under the provisions of section 7 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended (H. R. 5694).

COMMITTEE ON FLOOD CONTROL

(10.30 a. m.)

To consider amendments to the Mississippi flood control act, 1928.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

Authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red River at or near United States Highway No. 75 between the towns of Denison, Tex., and Durant, Okla. (H. R. 7967).

Authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red River at or near Ringgold, Tex., and Terral, Okla. (H. R. 7008).

Authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red

River at or near United States Highway No. 77 between the towns of Gainesville, Tex., and Marietta, Okla. (H. R. 7968).

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON INSURANCE AND BANKING

(1 p. m., room 452)

To provide a code of insurance law for the District of Columbia (excepting marine insurance, as now provided for by the act of March 4, 1922, and fraternal and benevolent insurance associations or orders, as provided for by the acts of March 3, 1897; June 30, 1902; May 29, 1928; December 12, 1928; and December 20, 1928) (H. R. 3941).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.15 a. m.)

To consider bills relating to persons living on the Western Hemisphere who wish to come to the United States.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WHITE: Committee on the Merchant Marine and Fisheries. H. R. 7998. A bill to amend subsection (d) of section 11 of the merchant marine act of June 5, 1920, as amended by section 301 of the merchant marine act of May 22, 1928; with amendment (Rept. No. 636). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE: Committee on the Merchant Marine and Fisheries. H. R. 8361. A bill to further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States, and for other purposes; with amendment (Rept. No. 637). Referred to the Committee of the Whole House on the state of the Union.

Mr. McFADDEN: Committee on Banking and Currency. H. J. Res. 227. A joint resolution authorizing the erection of a Federal Reserve branch building in the city of Pittsburgh, Pa.; without amendment (Rept. No. 638). Referred to the House Calendar.

Mr. McFADDEN: Committee on Banking and Currency. S. 544. An act authorizing receivers of national banking associations to compromise shareholders' liability; without amendment (Rept. No. 639). Referred to the House Calendar.

Mr. ROBINSON: Committee on Interstate and Foreign Commerce. S. 2763. An act authorizing the cities of Omaha, Nebr., and Council Bluffs, Iowa, and the counties of Douglas, Nebr., and Pottawattamie, Iowa, to construct, maintain, and operate one or more, but not to exceed three, toll or free bridges across the Missouri River; without amendment (Rept. No. 640). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 8970. A bill granting the consent of Congress to the State of Illinois to construct a bridge across the Little Calumet River on Ashland Avenue near One hundred and thirty-fourth Street, in Cook County, State of Illinois; with amendment (Rept. No. 641). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 8971. A bill granting the consent of Congress to the State of Illinois to widen, maintain, and operate the existing bridge across the Little Calumet River on Halsted Street near One hundred and forty-fifth Street, in Cook County, State of Illinois; with amendment (Rept. No. 642). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 8972. A bill granting the consent of Congress to the State of Illinois to construct a bridge across the Little Calumet River on Ashland Avenue near One hundred and fortieth Street, in Cook County, State of Illinois; with amendment (Rept. No. 643). Referred to the House Calendar.

Mr. PARKER: Committee on Interstate and Foreign Commerce. H. R. 9038. A bill granting the consent of Congress to the State of New York to reconstruct, maintain, and operate a free highway bridge across the west branch of the Delaware River at or near Beerston, N. Y.; with amendment (Rept. No. 644). Referred to the House Calendar.

Mr. BECK: Committee on Interstate and Foreign Commerce. H. R. 9141. A bill to authorize the State Roads Commission of Maryland to construct a highway bridge across the Nanticoke River at Vienna in Dorchester County to a point in Wicomico County; with amendment (Rept. No. 645). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 9180. A bill granting the consent of Congress to the North Carolina State Highway Commission to construct, maintain, and operate a free highway bridge across the Roanoke River at or near Weldon, N. C.; with amendment (Rept. No. 646). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H. R. 9299. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Decatur, Nebr.; without amendment (Rept. No. 647). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. JOHNSON of Nebraska: Committee on Claims. H. R. 458. A bill for the relief of Catherine Panturis; with amendment (Rept. No. 633). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 6718. A bill for the relief of Michael J. Bauman; without amendment (Rept. No. 634). Referred to the Committee of the Whole House.

Mr. VESTAL: Committee on Patents. S. 2657. An act granting a renewal of patent No. 21053 relating to the badge of the Daughters of the American Revolution; without amendment (Rept. No. 635). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 5242) granting a pension to Newton H. Latham; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8185) granting an increase of pension to Nellie S. Kitchens; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 9671) to extend the times for commencing and completing the construction of a free highway bridge across the St. Croix River at or near Stillwater, Minn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9672) to extend the times for commencing and completing the construction of a free highway bridge across the Mississippi River at or near Hastings, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Washington: A bill (H. R. 9673) to authorize the refund of visa fees in certain cases; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 9674) to amend an act to parole United States prisoners, and for other purposes, approved June 25, 1910; to the Committee on the Judiciary.

By Mr. MANLOVE: A bill (H. R. 9675) to amend the World War adjusted compensation act; to the Committee on Ways and Means.

By Mr. BRITTEN: A bill (H. R. 9676) to authorize the Secretary of the Navy to proceed with certain public works at the United States Naval Hospital, Washington, D. C.; to the Committee on Naval Affairs.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 9677) authorizing the Secretary of Agriculture to accept for the Government a donation of 160 acres of land situated in Beckham, Custer, Harmon, Greer, or Roger Mills Counties, Okla., for the operation and maintenance by the Government of an agricultural demonstration farm, and for other purposes; to the Committee on Agriculture.

By Mr. PATMAN: A bill (H. R. 9678) to extend the franking privilege to commissioned officers of the National Guard of the States; to the Committee on the Post Office and Post Roads.

By Mr. LEHLBACH: A bill (H. R. 9679) to amend the act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, and for other purposes; to the Committee on the Civil Service.

By Mr. COLLINS: A bill (H. R. 9680) to amend the act entitled "An act granting certain lands to the city of Biloxi, in Harrison County, Miss., for park and cemetery purposes," approved April 28, 1906; to the Committee on the Public Lands.

By Mr. GREEN: A bill (H. R. 9681) authorizing the Secretary of Commerce to dispose of a portion of the Amelia Island Lighthouse Reservation, Fla.; to the Committee on Interstate and Foreign Commerce.

By Mr. STEVENSON: A bill (H. R. 9682) to authorize the substitution of insurance for stockholders' double liability in national banks; to the Committee on Banking and Currency.

By Mr. BRAND of Georgia: A bill (H. R. 9683) to amend section 22 of the Federal reserve act; to the Committee on Banking and Currency.

By Mr. O'CONNOR of Oklahoma: A bill (H. R. 9684) to amend section 15a of the interstate commerce act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of Colorado: A bill (H. R. 9685) to add certain lands to the Gunnison National Forest, Colo.; to the Committee on the Public Lands.

Also, a bill (H. R. 9686) for the construction and equipping of a hospital for the southern Ute Indians at Ignacio, Colo.; to the Committee on Indian Affairs.

By Mr. SWICK: A bill (H. R. 9687) granting pensions to certain soldiers, sailors, and marines of the World War; to certain widows, minor children, and helpless children of such soldiers, sailors, and marines, and for other purposes; to the Committee on Pensions.

By Mr. CELLER: Joint resolution (H. J. Res. 246) proposing an amendment to the eighteenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WOOD: Joint resolution (H. J. Res. 247) making an appropriation to carry out the provisions of the public resolution entitled "Joint resolution providing for a study and review of the policies of the United States in Haiti," approved February 6, 1930; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 9688) granting an increase of pension to Charles F. Harrison; to the Committee on Pensions.

By Mr. BOWMAN: A bill (H. R. 9689) granting a pension to Ella Elizabeth McVicker; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 9690) granting a pension to Thomas Brown; to the Committee on Invalid Pensions.

By Mr. CLANCY: A bill (H. R. 9691) for the relief of Harold A. Awsumb; to the Committee on Claims.

By Mr. DUNBAR: A bill (H. R. 9692) granting a pension to Ada Shepard; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 9693) granting a pension to Perry M. Martin; to the Committee on Pensions.

By Mr. GREENWOOD: A bill (H. R. 9694) granting a pension to Rosie C. Ledgerwood; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 9695) granting a pension to Robert McCarty; to the Committee on Pensions.

Also, a bill (H. R. 9696) for the relief of Nettie M. Spitzer; to the Committee on Claims.

By Mr. LOZIER: A bill (H. R. 9697) granting an increase of pension to Maggie Cooper; to the Committee on Invalid Pensions.

By Mr. McMILLAN: A bill (H. R. 9698) to authorize Capt. W. H. Allen, United States Navy, to accept the decoration of the Order of the Bust of Bolivar from the Government of Venezuela; to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H. R. 9699) granting an increase of pension to Albert S. Turner; to the Committee on Pensions.

By Mr. MORGAN: A bill (H. R. 9700) granting an increase of pension to Catherine Jones; to the Committee on Invalid Pensions.

By Mr. PORTER: A bill (H. R. 9701) authorizing the payment of an indemnity to the French Government on account of injuries received by Henry Borden, a French citizen, when he was assaulted at his place of business at Port au Prince, Haiti, by United States marines; to the Committee on Foreign Affairs.

Also, a bill (H. R. 9702) authorizing the payment of an indemnity to the British Government on account of losses sustained by H. W. Bennett, a British subject, in connection with the rescue of survivors of the U. S. S. *Cherokee*; to the Committee on Foreign Affairs.

By Mr. REID of Illinois: A bill (H. R. 9703) granting a pension to Lillie F. Eden; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 9704) granting an increase of pension to Rose A. Sease; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9705) granting an increase of pension to Alice R. Beach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9706) granting an increase of pension to Lizzie Olive Stearns; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 9707) to authorize the incorporation of town of Ketchikan, Alaska, to issue bonds in any sum not to exceed the sum of \$1,000,000 for the purpose of acquiring public-utility properties, and for other purposes; to the Committee on Territories.

By Mr. SWICK: A bill (H. R. 9708) granting an increase of pension to Martha Wilson; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 9709) for the relief of George Walters; to the Committee on Military Affairs.

Also, a bill (H. R. 9710) granting a pension to Harry Ray Bennett; to the Committee on Pensions.

By Mr. TARVER: A bill (H. R. 9711) granting an increase of pension to Sarah E. Young; to the Committee on Invalid Pensions.

By Mr. BRITTEN: Resolution (H. Res. 148) to pay Daisy Byron, widow of Frank A. Byron, six months' compensation and an additional \$250 to defray funeral expenses and last illness of said Frank A. Byron; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4283. By Mr. BACON: Petition of residents of Nassau County, Port of Queens, Long Island, N. Y., in favor of increased pensions for Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

4284. Also, petition of residents of Lindenhurst, Long Island, N. Y., in opposition to the enactment of proposed legislation creating a national department of education; to the Committee on Education.

4285. Also, petition of residents of Babylon, Long Island, N. Y., in favor of the enactment of legislation granting an increase of pensions to Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

4286. Also, petition of residents of Islip, Long Island, N. Y., in favor of the enactment of legislation granting an increase of pensions to Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

4287. By Mr. BROWNE: Resolution of county board of Marathon County, Wis., against chain banking; to the Committee on Banking and Currency.

4288. Also, petition of citizens of Marathon County, Wis., favoring House bill 2562, providing for increased pensions for Spanish-American War veterans; to the Committee on Pensions.

4289. By Mr. BRUMM: Petition of George R. Kalbach and 86 other citizens of Pottsville, Schuylkill County, Pa., urging immediate action on the pending bill to provide an increase of pension for Civil War veterans; to the Committee on Pensions.

4290. By Mr. CAMPBELL of Iowa: Petition of 76 citizens of Cherokee County, Iowa, asking for the speedy consideration and passage of House bill 2562, providing for increased rates of pension to veterans of the Spanish-American War; to the Committee on Pensions.

4291. By Mr. CHINDBLOM: Petition of E. L. Scully and 72 other citizens of Deerfield, Ill., and vicinity, indorsing House bill 2562 and Senate bill 476 providing increased pensions for Spanish-American War veterans; to the Committee on Pensions.

4292. By Mr. COOKE: Petition of 1,000 citizens of Buffalo, favoring passage of Senate bill 476 and House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4293. Also, petition of citizens of Alden, N. Y., favoring the passage of Senate bill 476 and House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4294. Also, petition of R. P. Hughes Camp, favoring the passage of Senate bill 476 and House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4295. Also, petition of citizens of Lancaster, N. Y., favoring the passage of Senate bill 476 and House bill 2562 providing for the increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4296. Also, petition of Buckley O'Neil Camp, No. 15, favoring passage of Senate bill 476 and House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4297. By Mr. CONNERY: Petition of South Lawrence Merchants' Association asking for protection in tariff bill for industries of Lawrence and New England; to the Committee on Ways and Means.

4298. Also, petition of Italian Citizens' Club, of Lawrence, Mass., favoring protection in the tariff bill for the industries of Lawrence, Mass.; to the Committee on Ways and Means.

4299. By Mr. CRAMTON: Memorial of W. P. O'Brien, secretary, Lakeview Hills Country Club, Lexington, Mich., urging amendment of the revenue law to repeal the present tax on

dues and fees paid to athletic and sporting clubs; to the Committee on Ways and Means.

4300. By Mr. DALLINGER: Petition of certain citizens of Woburn, Mass., praying for the enactment of House bill 2562; to the Committee on Pensions.

4301. By Mr. DOWELL: Petition of citizens of Marion County, Iowa, relative to pension legislation; to the Committee on Pensions.

4302. By Mr. ELLIS: Petition transmitted by Frank Smith and indorsed by Gertrude Butler and 59 others seeking consideration and passage of Senate bill 476 and House bill 2562 providing for increased pension rates to veterans of the Spanish-American War; to the Committee on Pensions.

4303. By Mr. ESLICK: Petition of citizens of fourth civil district of Lewis County, Tenn., in behalf of the Spanish-American War veterans; to the Committee on Pensions.

4304. By Mr. HANCOCK: Petition signed by Joseph P. Haspel and other residents of Syracuse, N. Y., favoring the passage of House bill 2562; to the Committee on Pensions.

4305. By Mr. HESS: Petition of various citizens of Cincinnati, Ohio, urging the early passage of House bill 2562; to the Committee on Pensions.

4306. By Mr. HOFFMAN: Petition of 15 residents of Ocean County, N. J., asking support of legislation for Spanish War veterans; to the Committee on Pensions.

4307. Also, petition of 43 residents of Middlesex County, N. J., asking support of legislation for Spanish War veterans; to the Committee on Pensions.

4308. Also, petition of residents of South Plainfield, N. J., requesting support of legislation granting additional relief for Spanish War veterans; to the Committee on Pensions.

4309. By Mr. HUDSON: Petition of citizens of Flint, Mich., urging favorable action on House bill 7884 having to do with vivisection; to the Committee on the District of Columbia.

4310. By Mr. HUDSPETH: Petition of citizens of San Angelo, Tex., urging favorable action on Senate bill 476 and House bill 2562 providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

4311. Also, petition of citizens of El Paso, Tex., urging favorable action on Senate bill 476 and House bill 2562 providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

4312. By Mr. HOOPER: Petition of Arthur Keyes and 73 other residents of Calhoun County, Mich., in favor of increase of pension for Spanish War veterans; to the Committee on Pensions.

4313. By Mr. JOHNSON of Texas: Petition of Grisham Hunter Corporation, of Abilene, Tex., favoring a tariff on petroleum oil; to the Committee on Ways and Means.

4314. Also, petition of Blake Smith; J. K. Hughes; C. W. Kennon Oil Co.; E. L. Smith Oil Co. (Inc.); J. K. Hughes Oil Co.; Smillock Petroleum Co.; Levalma Petroleum Co.; Neches Petroleum Co.; Why Not Oil Co.; Neversuch Oil Co.; Eighteen Petroleum Co.; Forty-four Oil Co.; Jack Womack, president Prendergast Smith National Bank; Black Smith, president City National Bank; John H. Sweat, president Farmers' State Bank; W. T. Church, attorney; B. S. Smith, banker; T. F. Morrow Oil Co.; E. L. Smith; W. K. Boyd, publisher; and W. A. Reiter, president Mexia Development Co., all of Mexia, Tex., favoring a tariff on petroleum oil; to the Committee on Ways and Means.

4315. Also, petition of Witherspoon Oil Co., Witherspoon Refining Co., and C. L. Witherspoon, of San Antonio, Tex., favoring tariff on petroleum oil; to the Committee on Ways and Means.

4316. By Mr. JOHNSON of Washington: Petition of citizens of Grays Harbor County, Wash., appealing for passage of increased pensions for Spanish War veterans; to the Committee on Pensions.

4317. Also, petition of citizens of Centralia and Tacoma, Wash., appealing for passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

4318. Also, petition of residents of Grays Harbor County, Wash., appealing for the passage of legislation to increase pensions; to the Committee on Pensions.

4319. By Mr. KELLY: Petition of citizens of Pittsburgh, Pa., asking for increase of pensions for Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

4320. By Mr. JOHNSON of Washington: Petition of citizens of Tacoma, Wash., appealing for passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

4321. By Mr. KENDALL of Kentucky: Petition of the citizens of Jackson, Breathitt County, Ky., in which they urge that immediate steps be taken to bring to a vote Senate bill 476 and House bill 2562, and they respectfully request favorable

action on the above-mentioned bills; to the Committee on Pensions.

4322. By Mr. KVALE: Petition of United Spanish War Veterans, of Minnesota, urging the establishment of a national cemetery on the Birch Coulee battle field; to the Committee on Military Affairs.

4323. Also, petition of the United Spanish War Veterans, of Minnesota, requesting employment of disabled veterans as census enumerators; to the Committee on the Census.

4324. Also, petition of the United Spanish War Veterans, of Minnesota, urging the enactment of an amendment to sections 202 and 210 of the World War veterans' act; to the Committee on World War Veterans' Legislation.

4325. Also, petition of the United Spanish War Veterans, of Minnesota, urging free medical attention for all honorably discharged veterans; to the Committee on World War Veterans' Legislation.

4326. Also, petition of the United Spanish War Veterans, of Minnesota, requesting passage of the Robinson bill; to the Committee on Invalid Pensions.

4327. Also, petition of the United Spanish War Veterans of Minnesota urging the reintroduction and passage of the Knutson bill, H. R. 14676; to the Committee on Pensions.

4328. Also, petition of W. J. Ruddy and other residents of Willmar, Minn., urging enactment of Senate bill 476; to the Committee on Pensions.

4329. Also, petition of members of the Northwestern Lumbermen's Association opposing any tariffs on any and all commodities which will increase the cost of products purchased by the farmers; to the Committee on Ways and Means.

4330. By Mr. LANKFORD of Georgia: Petition of sundry citizens of Waycross, Ga., urging the passage of House bill 2562 for the relief of Spanish-American War veterans and widows of veterans; to the Committee on Pensions.

4331. By Mr. MCCLINTOCK of Ohio: Petition of 31 citizens of Stark County, Ohio, favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

4332. By Mr. MOORE of Kentucky: Petition of citizens of Edmonston County, Ky., urging passage of House bill 2562 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish-American War; to the Committee on Pensions.

4333. By Mr. NEWHALL: Petition of G. W. Harris and sundry other citizens of Newport, Campbell County, Ky., urging the speedy consideration and passage of House bill 2562 and Senate bill 476 providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

4334. Also, petition of George Turner, of Newport, Ky., urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

4335. By Mr. O'CONNELL of Rhode Island: Resolution of Sawtelle Home Post, No. 322, National Military Home, Calif., and petition signed by 1,464 honorably discharged service men of various wars, all members and employees of the Pacific branch of the National Military Home, West Los Angeles, Calif., urging passage of House bill 7389, presented by Congressman O'CONNELL of Rhode Island, providing for payment of adjusted-service certificates at their face value on and after March 1, 1930; to the Committee on Ways and Means.

4336. By Mr. PALMER: Petition of H. C. Dudley and numerous citizens of Springfield, Mo., urging the passage of more liberal pensions laws for the Spanish War veterans; to the Committee on Pensions.

4337. By Mr. PATMAN: Petition of A. W. Stevens and 35 other citizens of Bowie County, Tex., in support of House bill 2562 providing for an increase in pension of Spanish-American War veterans; to the Committee on Pensions.

4338. Also, petition of P. W. Stringer of Mount Vernon, Tex., and 62 others, in support of Senate bill 476 and House bill 2562 providing for an increase in pension of Spanish-American War veterans; to the Committee on Pensions.

4339. By Mr. STALKER: Petition of citizens of Hornell, N. Y., urging Congress for the passage of Senate bill 476 and House bill 2562 granting increase in pension for the veterans of the Spanish-American War; to the Committee on Pensions.

4340. By Mr. SWING: Petition of John B. Ortego and 33 citizens of Pala, Calif., urging the adoption of Senate bill 476 and House bill 2562; to the Committee on Pensions.

4341. By Mr. THOMPSON: Petition of 26 citizens of Lyons, Fulton County, Ohio, in favor of House bill 2562, providing increased rates of pension to Spanish War veterans; to the Committee on Pensions.

4342. By Mr. WATSON: Resolution from the congregation Ahvath Achim, of Bristol, Pa., opposing any change in the pres-

ent calendar which would endanger the fixity of the Sabbath; to the Committee on Foreign Affairs.

4343. By Mr. WHITLEY: Petition of citizens of Rochester, N. Y., urging passage of legislation to increase pensions for Spanish-American War veterans; to the Committee on Pensions.

4344. By Mr. WINGO: Petition of citizens of Magazine and Blue Mountain, Ark., in favor of increased pensions for veterans of the Spanish-American War; to the Committee on Pensions.

4345. By Mr. YON: Petition of Anthony Altman, Thomas Maloney, W. A. Brown, J. W. Clemmons, W. F. Turner, D. H. Houston, and others, of Millville, Bay County, Fla., urging an increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

4346. Also, petition of J. Whiting Hyer, J. W. Choron, jr., Phil Jones, C. M. Bell, W. H. Riera, F. A. Bozhick, H. F. Hansen, and others, of Pensacola, Escambia County, Fla., urging an increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

4347. Also, petition of C. J. Williams, E. Green, L. Fisher, John S. Wilson, W. D. Everitt, F. D. Nuhon, and others, of Pensacola, Escambia County, Fla., urging an increase of pensions to Spanish-American War veterans; to the Committee on Pensions.

SENATE

MONDAY, February 10, 1930

(Legislative day of Monday, January 6, 1930)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	Keyes	Smith
Ashurst	George	La Follette	Smoot
Barkley	Gillett	McCulloch	Steak
Bingham	Glass	McKellar	Steiger
Black	Glenn	McMaster	Stephens
Blaine	Goff	McNary	Sullivan
Bleas	Goldsborough	Metcalf	Swanson
Borah	Gould	Norbeck	Thomas, Idaho
Bratton	Greene	Norris	Thomas, Okla.
Brookhart	Grundy	Nye	Trammell
Broussard	Hale	Oddie	Tydings
Capper	Harris	Overman	Vandenberg
Connally	Harrison	Patterson	Walcott
Copeland	Hatfield	Phipps	Walsh, Mass.
Couzens	Hawes	Pine	Walsh, Mont.
Cutting	Hayden	Ransdell	Waterman
Dale	Hebert	Robinson, Ind.	Watson
Deneen	Howell	Robinson, Ky.	Wheeler
Dill	Johnson	Sheppard	
Fess	Jones	Shortridge	
	Kendrick	Simmons	

Mr. FESS. I desire to announce that the senior Senator from Delaware [Mr. HASTINGS] is absent from the Senate on account of the death of Mrs. Hastings.

I also desire to announce that the junior Senator from Delaware [Mr. TOWNSEND] is absent attending the funeral of the late Mrs. Hastings.

Mr. GOLDSBOROUGH. I wish to announce that the senior Senator from New Jersey [Mr. KEAN] is unavoidably absent. I ask that this announcement may stand for the day.

Mr. SHEPPARD. I desire to announce that the junior Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

I also wish to announce that the senior Senator from Nevada [Mr. PITTMAN] is necessarily absent from the Senate attending a conference in the West relating to the diversion of the waters of the Colorado River. I wish this announcement to stand for the day.

I also desire to announce the necessary absence of the Senator from Arkansas [Mr. ROBINSON] and the Senator from Pennsylvania [Mr. REED], who are delegates from the United States to the Naval Arms Conference meeting in London, England. Let this announcement stand for the day.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

THE JOURNAL

Mr. McNARY. I ask unanimous consent for the approval of the Journal for the calendar days of Monday, February 3, to and including Saturday, February 8, 1930.

The VICE PRESIDENT. Without objection, it is so ordered.